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Situation and Outlook Report

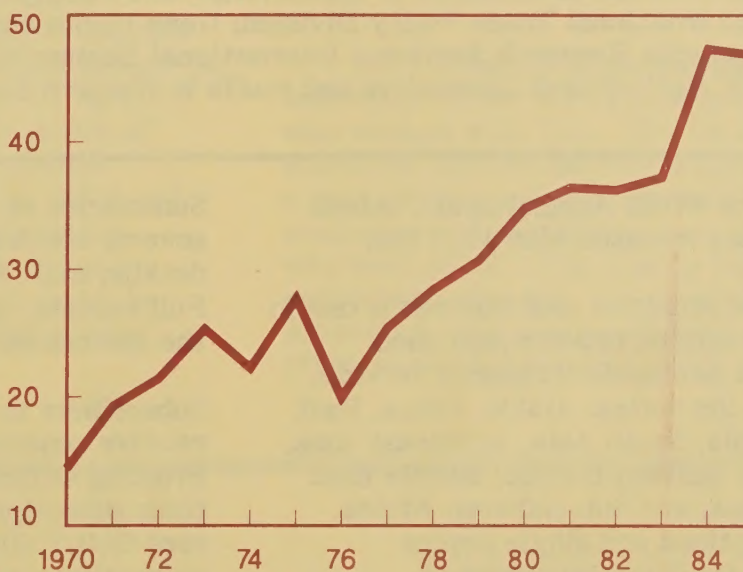
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EC Grain Exports Remain Near Record High

Million metric tons



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IN MEMORIAM
REED E. FRIEND
July 10, 1931 – April 13, 1986

Users of Economic Research Service information on Western Europe and the community of scholars lost a dedicated colleague when Reed Friend, Chief of the Western Europe Branch of ERS since 1972, succumbed in his fight with cancer. This issue of the *Western Europe Situation and Outlook* Report was the last project on which Dr. Friend worked and we dedicate it to his memory.

Dr. Reed Friend was born on a farm in rural western Maryland. Following graduation from high school and a 4-year tour of duty with the U.S. Air Force, he attended the University of Maryland receiving a B.S. degree (First Honors) in agricultural economics in 1958. He worked briefly with Southern States Cooperatives before returning for graduate studies in agricultural economics at Kansas State University in 1959.

Awarded an M.S. degree in 1960, Dr. Friend began a 26-year career with the Department of Agriculture-Economic Research Service. Hired initially as a labor economist to study workforce mobility, employment, and income, he later broadened his focus to include the international arena. In 1963, he began a long and illustrious career studying and researching the economics of agriculture in Western Europe. Always seeking to broaden and sharpen his skills and abilities, he pursued further study at the University of Maryland. In 1970, following nine years of night and part-time study, he was awarded a Ph.D degree in agricultural economics.

Dr. Friend was the author of numerous articles and reports on the economics, structure, and performance of agriculture and agricultural policy in Europe. His pioneering research on the implications of the formation of the European Community for U.S. agricultural trade prompted further research within the USDA and by the economics profession at large. Dr. Friend was frequently consulted on all aspects of the European Community and for several years served as the U.S. delegate to meetings of the United Nations Economic Commission for Europe, Committee on Agriculture Problems.

Dr. Friend was a member of Alpha Zeta and the American Agricultural Economics Association. He was recognized on numerous occasions for his outstanding work as an economist and federal manager, most recently receiving the Department of Agriculture's Special Merit Award in 1985 for his significant contribution of policy analyses to the Office of the Secretary during a critical period of U.S.-EC trade tensions.

Dr. Friend's professionalism, dedication, and integrity served as an inspiration to those who worked with him. The Economic Research Service has lost a dedicated scholar, a man of great commitment to the highest academic and professional standards. Those who worked with him closely have lost a respected colleague, a compassionate supervisor, and a valued friend. Reed will be often remembered and greatly missed.

EXCHANGE Rec'd

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SUMMARY

Economic growth in Western Europe is expected to strengthen in 1986. Lower forecast inflation rates will moderate increases in farm input prices and rises in retail food prices. Unemployment is expected to remain at last year's record 11 percent and discourage farmers from leaving agriculture.

Western Europe's 1985 agricultural production was down slightly from the previous year's record. Grain production declined 13 million tons from 1984, but large surpluses remain. The output of potatoes and oilseeds was up. EC cow's milk output continued to drop, and beef production neared the 1984 record as the EC continued to adjust to the dairy quota program.

EC real farm income declined an estimated 8 percent in 1985, after posting a 3.8-percent recovery in 1984. The major cause was adverse weather, especially heavy rains that reduced production and quality of grains in many regions. Prices declined for sugar beets, potatoes, and olive oil. Beef and veal prices fell because of large supplies, but prices of other meats rose.

Input prices rose at a slower rate last year, and the slowdown is likely to continue throughout 1986 as most West European governments continue to curb inflation. Better weather in 1986 should result in a larger harvest and improved grain quality. However, a variety of EC policies could weaken farm income for grain producers. If the proposed EC policy to raise intervention standards for bread wheat is implemented, more wheat will be channeled into feed use. Increased feed grain supplies will result in lower prices, benefiting livestock producers and hurting grain farmers.

On January 1, 1986, Spain and Portugal joined the European Community, significantly changing the organization's character. The enlargement—to 12 member nations—was the European Community's third, and will undoubtedly prove its most challenging. The influence of Mediterranean agriculture in policy decisions will become more pronounced, and the temperate zone grain-oilseed-livestock complex will receive increased competition for Community funds.

Although there are many sources of prospective conflict, the output of the EC-10 and the new member countries complement one another. The EC-10 has surpluses of grains, meat and milk products, potatoes, and sugar, while Spain and Portugal have deficits. The EC-10 is a net importer of fruit and vegetables, while Spain and Portugal are net exporters. Productivity is low in Spain and Portugal and there is potential for increased crop yields.

The United States has traditionally supplied much of Spain's and Portugal's grain and oilseed imports. Incentives aimed at increasing production of these products in Spain and Portugal and inclusion of these countries in the levy system for grains may substantially erode the U.S. export market in the European Community.

In general, the outlook for EC agriculture is for high levels of production in 1986, and possibly for several years beyond. Barring abnormal weather, grain production could equal or exceed the excellent 1985 crop. With EC-10 support, increased production in Spain and Portugal could convert these traditional deficit producers into net exporters, albeit at a large budgetary cost. Ultimately, the viability of the EC-12 will depend upon the successful arbitration of the many facets of accession.

GENERAL ECONOMIC SITUATION

Economic growth in Western Europe is expected to remain steady in 1986 as the recovery moves into its fourth year. Unemployment is likely to stabilize at unprecedented high levels, while inflation rates fall to 15-year lows. The region's balance of payments on the current account is expected to improve significantly, but may weaken later this year.

Lower inflation rates will moderate increases in farm input prices, as well as rises in retail food prices, while high unemployment rates will discourage farmers from leaving agriculture. At the same time, slow growth of demand for goods and services, continued high unemployment rates, and the slow pickup in imports in response to the declining dollar are likely to restrain the region's demand for agricultural products, particularly livestock products and imported feed ingredients. Nevertheless, U.S. agricultural exports to Western Europe are likely to remain level this year.

Slow Growth Continues

The West European economies are expected to improve again this year. Real gross domestic product (GDP) is forecast to increase 2.25 percent in Western Europe and 2.5 percent in the EC, according to the Organization for Economic Cooperation and Development (OECD). This year's forecast anticipates virtually no change from the previous 2 years despite an expected rebound of real domestic demand in Germany, France, and, to a lesser extent, the United Kingdom.

The current business cycle expansion in Western Europe is now mature. This year marks the fourth year of expansion. While growth has been weaker than in preceding recoveries, cautious fiscal and monetary policies may have permitted a more balanced and lasting recovery. The priority given to lowering inflation and limiting public expenditure has prevented output bottlenecks typical of the last phase of expansion. Economic growth, therefore, is likely to continue at least through mid-1987.

Table 1—Growth of real gross domestic product

Country	1983	1984	1985 1/	1986 2/
Percent change from previous year				
European Community	1.3	2.3	2.25	2.5
Belgium	-0.1	1.3	1.5	1.5
Denmark	2.1	3.5	2.5	3.5
France	.7	1.6	1.0	2.0
Germany, West	1.5	2.7	2.25	3.25
Greece	.3	2.6	1.5	-1.0
Ireland	-1.8	2.3	.25	2.25
Italy	-0.4	2.6	2.25	2.5
Luxembourg	2.8	4.9	2.5	2.25
Netherlands	1.1	1.7	2.0	2.0
United Kingdom	3.2	2.6	3.25	2.25
Other Western Europe				
Austria	1.8	2.0	2.75	2.25
Finland	2.9	3.0	3.75	2.25
Norway	3.9	3.8	3.0	2.25
Portugal	-0.9	-1.5	2.25	2.75
Spain	2.2	2.2	1.75	2.0
Sweden	2.6	3.4	2.5	0.5
Switzerland	.7	2.1	3.75	2.25

1/ Preliminary.

2/ Forecast. (Note: The cut-off date for forecasts was November 18, 1985).

Source: OECD.

Unemployment Stabilizes

As employment in Western Europe is likely to match increases in the labor force, the unemployment rate is expected to remain at last year's record high of 11.0 percent. By comparison, the U.S. rate is expected to stabilize this year at 7.25 percent.

The unemployment rate for the four major European countries of Germany, France, the United Kingdom, and Italy is expected to average 10 percent this year. For other European countries, unemployment rates vary from 0.5 and 2.25 percent for Switzerland and Norway respectively, to 22.5 and 16.75 for Spain and Ireland. Youth and long-term unemployment is particularly serious in a number of countries.

A substantial proportion of European unemployment is due to growth in real wages and salaries, inadequate capital accumulation caused by a fall in profitability, and increased capital intensity using labor-saving technology. While the recent and anticipated trend in real wages points to an improved outlook, wage moderation must be maintained

Table 2—Western Europe's consumer prices and food prices, with expenditures for food and beverages as a percentage of household consumption expenditures

Country	Consumer prices (all items)			Food prices			Expenditures for food & beverage 1/
	1984	1985	1984 to 1985	1984	1985	1984 to 1985	1983
	1980 = 100		Percent	1980 = 100		Percent	Percent
European Community							
Belgium	134	141	5.2	136	141	3.7	23.5
Denmark	140	146	4.3	142	148	4.2	21.6
France	149	158	6.0	153	160	4.6	20.2
Germany, West	118	121	2.6	116	117	0.9	22.9
Greece	214	256	19.6	220	263	19.6	40.8
Ireland	169	178	5.3	154	160	3.9	2/37.0
Italy	174	190	9.2	163	175	7.4	28.6
Luxembourg	136	140	3.0	138	141	2.2	3/18.8
Netherlands	120	123	2.5	116	116	0	17.3
United Kingdom	133	142	6.8	129	133	3.1	17.3
Other Western Europe							
Austria	123	127	3.3	120	122	1.7	21.7
Iceland	550	739	34.4	501	690	37.7	4/25.5
Finland	142	151	6.3	146	157	7.5	25.0
Norway	146	154	5.5	153	163	6.5	24.3
Portugal	238	283	18.9	248	292	17.8	5/35.8
Spain	164	178	8.5	163	178	9.2	2/6/31.7
Sweden	143	154	7.7	161	173	7.5	22.6
Switzerland	119	123	3.4	125	129	3.2	6/27.7

-- = Not available.

1/ Percent of total private consumption expenditures excluding food and beverages purchased in hotels, as well as most institutional purchases. The comparable figure for the U.S. in 1983 was 13.9. 2/ 1982. 3/ 1980. 4/ 1973. 5/ 1981. 6/ Includes tobacco.

SOURCE: OECD.

for a number of years if the trend is to be reversed.

Inflation Rate Continues to Fall

The rate of consumer price increase eased again in 1985, and the OECD projects further deceleration in 1986. In the European Community (EC) ^{1/}, prices are forecast to increase 3.9 percent this year, compared to 5.2 percent in 1985. With most countries' monetary policy oriented toward price stability, consumer prices have declined every year during the current expansion, and may reach lows not seen since the 1960's.

Recent declines in inflation rates have also been influenced by falling international energy and food prices. Non-food, non-energy

price increases remain small, reflecting in large part the modest increases in unit labor costs.

Payment Surpluses Grow

Western Europe's current account surplus is forecast at \$35 billion in 1986, almost double the \$18 billion surplus last year. This strong improvement is attributable to the slow growth of import volume, the fall in the dollar price of oil, and, most importantly, the delayed response to the dollar's decline.

Each time the dollar falls, current balances in Western Europe move higher as dollar prices for exports rise and dollar prices for imports fall. Later this year, or early next year, however, when trade volume has had sufficient time to respond to the change in relative prices, the region's exports are likely to decline and imports to rise. Then current surpluses gradually will fall. [Ruth Elleson (202) 786-1718]

^{1/} Throughout this report, the EC refers to the Community of 10 in 1981-85 and to the Community of 12 after January 1, 1986 (see Definitions, inside back cover).

Table 3—Balance of payments on current accounts

Country	1983	1984	1985 1/	1986 2/
Billion U.S. dollars				
European Community				
Belgium-Luxembourg	-0.4	-0.2	0.25	1.25
Denmark	-1.2	-1.6	-2.0	-2.25
France	-4.4	-0.8	.75	3.5
Germany, West	4.1	6.3	12.75	20.25
Greece	-1.9	-2.1	-3.0	-2.0
Ireland	-1.1	-.9	-.5	-.5
Italy	.8	-3.0	-7.25	-5.25
Netherlands	3.7	4.9	6.25	6.75
United Kingdom	4.8	1.2	4.25	5.0
Other Western Europe				
Austria	.3	-.8	0	.25
Finland	-.9	0	0	.5
Norway	2.1	3.2	2.5	1.0
Portugal	-1.5	-.5	-.25	-.5
Spain	-2.5	2.3	2.5	3.25
Sweden	-1.0	.1	-1.5	-.5
Switzerland	3.8	3.8	3.5	4.25

1/ Preliminary.

2/ Forecast. (Note: The cut-off date for forecasts was November 18, 1985).

Source: OECD.

AGRICULTURAL PRODUCTION

Western Europe's 1985 agricultural production was slightly down from the previous year's record. The agricultural production index for all of Western Europe was down 4 percentage points, with declines for both EC and non-EC countries (Table 4). Grain production was down 14 million tons from the mammoth 1984 crop but was still the second best on record. The output of potatoes, cotton, and oilseeds was up, but sugarbeets were down. Production of beef and veal decreased but output of other meats rose. Cow's milk production continued to drop, primarily in response to EC dairy quotas.

The 1986 outlook for Western Europe is clouded by uncertainties. Among these are the impact of EC enlargement; lower costs for compound feeds and energy; increased production efficiency; switches by grain producers from production of surplus grains to alternative crops; and controversial proposals intended to reduce EC agricultural surpluses. Agricultural production is likely to be up somewhat in 1986 if favorable weather continues in some of the major producing countries, both EC and non-EC. With more favorable weather it is reasonable to expect a recovery in yields for fall grain and some other crops.

Western Europe's Second-Best Grain Crop

Western Europe's 1985 wheat and coarse grain production is estimated at about 177 million tons—down 14 million from the previous year's record, but well above the previous high in 1982. Wheat accounted for much of the decline, with an 11-million-ton drop from 1984 to about 76 million tons. The area planted dropped 1 percent, and less favorable weather reduced yields. However, new technology (seeds, management, fertilizers, etc.) offset much of the bad weather in some countries, notably France.

Rain delayed all 1985 plantings in the EC and reduced yield potential. The EC grain harvested (including rice) dropped about 13 million tons from 1984 to just under 140 million. Wheat production dropped more than 10 million tons to about 66 million, with all countries showing declines. For the second year in a row EC wheat production matched or exceeded that of the United States. Coarse grain production decreased 2.5 million tons to about 73 million. EC barley production fell about 4 million tons to about 41 million but corn production was up 1.4 million tons to about 22 million.

Total EC grain area was down almost 2 percent, but average yields were down 10 percent for wheat and about 4 percent for coarse grain. The use of improved production technology kept yields from falling even more. Yields are being pushed up by the sowing of new high-yielding varieties, particularly wheat, and the use of improved cultivating techniques.

In non-EC Western Europe grain production remained high at over 38 million tons, only 3 percent below 1984's record. Production was down in all countries except Spain. Spain harvested a record grain crop of over 20 million tons, slightly above 1984's bumper crop, and a third above the recent 5-year average. Spain's corn crop rose close to a third above 1984, to set a 3.2-million-ton record. Spain's corn yields were exceptionally high as a result of increased irrigation and more and better inputs.

Western Europe's 1986 grain crop is forecast to be the second highest on record. For the past 2 years high yields have made

wheat attractive to growers, even though market prices are down, stocks are relatively high, and the Community is proposing production restraints. Farmers planted slightly fewer winter grains, but yields are expected to be up because of more favorable weather in most countries and continued improvement in technology.

EC grain production (excluding rice) is forecast at 143 million tons, roughly 4 million above last year but still 9 million below the 1984 record. The wheat crop will probably be about 71 million tons, up 5 million from 1985. EC coarse grain production is forecast to be slightly lower than in 1985, with a slight decrease in area.

In France, the EC's largest grain producer, the 1986 crop is forecast to be marginally down (0.9 percent) to 55.1 million tons, with a slight decrease in acreage. However, the wheat crop could approach 30 million tons—up 2 percent from 1985. Good weather and better technology are expected to raise French grain yields.

Grain production in the non-EC countries is expected to be close to the last 2 years' exceptionally high 38-million-ton average, with a slight decrease in coarse grain, mainly barley. Spain's corn production is forecast to increase in 1986. Spain's domestic corn prices have increased because of the high import levies under the EC accession, and so Spain's corn production is sharply up on irrigated land. Wheat production is forecast to remain around 1985's 10 million tons.

Most Other Crops Fared Well

Western Europe's sugarbeet production in 1985 was down slightly to about 100 million tons. EC production was up 1 million tons to nearly 87 million, with increases in some of the major producers. Greece's 1985 crop rose 1 million tons to a 2.6-million-ton record, as farmers planted significantly more area following a sharp drop the previous year. In response to surplus production and lower prices, EC farmers planted slightly less sugarbeet area, but yields were up because of more favorable weather. Sugarbeet production fell 8 percent in the non-EC countries. In Spain, the largest producer,

output dropped sharply because of a substantial reduction in plantings induced by Government targets.

Potato production, which in 1984 had reversed the recent downward trend years and increased about 7 million tons, rose 1.5 million tons in 1985 to 45.5 million. Farmers continued to plant more potatoes as an alternative to crops now being produced in surplus. Also, yields were up because of more favorable weather. Production rose sharply in the EC, particularly in the major producers, while declining in the non-EC countries, mainly in Spain.

Western Europe's cotton production expanded in 1985. Production has been increasing in Greece, the major producer, in response to the EC's support policy. Farmers have increased plantings in areas now producing surplus soft wheat and sugarbeets, and in newly irrigated areas. In Spain, the other significant producer, both cotton area and production have been trending upward in recent years in response to Government programs and in anticipation of EC crop support.

Tobacco production was unchanged. Although EC policy does not encourage the production of oriental varieties, Greek tobacco area (largely oriental) was up slightly, but production declined marginally to 139 million tons. Italy's tobacco production was unchanged at 161,000 tons. Spanish tobacco output continued to increase because of increased price supports, technical assistance, and favorable credit. Spanish tobacco growers expect to benefit from the EC's policy because it provides support prices, export refunds, import duties on leaf tobacco, and restrictions on imports of cigarettes. Also, the Spanish tobacco industry is interested in developing export markets of blended cigarettes and leaf tobacco.

Western Europe's olive oil production was down about 20 percent to 1.1 million tons in 1985. The sharp drop in Spain's output to 355,000 tons more than offset Italy's 26-percent increase to 492,000. Olive oil production was down in the other two significant producers, Greece and Portugal.

Deciduous fruit production in the EC was below average, and substantially below 1984

levels. In Spain, abundant rainfall contributed to increases in output. Citrus production reached 3.4 million tons, 27 percent above the previous year's output after freeze losses, because of improved irrigation supplies.

Western Europe's major oilseed crops (rapeseed and sunflower) rose sharply in 1985 to nearly 7 million tons. The EC's rapeseed production rose about 7 percent to 3.6 million tons. An 8-percent increase in sunflower area pushed EC production up 45 percent to 1.7 million tons. Area expansion was encouraged by EC policy. EC soybean production rose 148 percent to 0.4 million tons, but it accounts for only 2 percent of total soybean meal utilization. In the non-EC countries, rapeseed production was unchanged from the previous year (0.5 million tons); sunflower output declined 5 percent to about 1.0 million tons; and the soybean crop rose slightly, but remained insignificant at 6,000 tons.

The outlook for 1986 is for a significant increase in sunflower production, particularly in France, with a possible drop in rapeseed production.

Livestock Production Continuing High

Western Europe's 1985 red meat production rose marginally (about 0.2 percent) above the previous year's record. The drop in beef and veal production was more than offset by increased pork and sheep meat production. Beef and veal production continued to decline from the 1983 record. The decline was related to a slowdown in dairy cow slaughter from the high rates during the first 2 years of the dairy quota program. In non-EC countries, beef and veal production was almost unchanged.

Lower cattle inventories and reduced slaughter rates suggest a further decline in Western Europe's beef and veal production in 1986. EC production is expected to drop nearly 4 percent to about 7 million tons, with decreases in all the producing countries except West Germany. Mounting oversupplies and consumer resistance because of high prices and health concerns, along with stagnant real producer prices, are causing a drop in beef and veal production in the Community. The effect of the milk quota scheme on the culling of dairy cattle is also expected to level off. In the non-EC countries, continued sluggish demand is expected to limit increases in beef and veal production in 1986.

Table 4—Indices of agricultural production 1/

Country	1981	1982	1983	1984	1985
(1976-78 = 100)					
Total Western Europe	110	113	110	119	115
European Community	112	114	111	119	116
Belgium-Luxembourg	110	111	110	115	113
Denmark	110	116	110	127	123
France	117	117	111	122	119
Germany, West	105	111	105	113	113
Greece	121	116	112	122	115
Ireland	99	108	108	118	114
Italy	111	108	113	112	109
Netherlands	117	121	118	125	125
United Kingdom	111	118	117	130	121
Other Western Europe	101	111	107	118	114
Austria	99	110	107	110	111
Finland	92	103	111	112	108
Norway	109	111	110	116	112
Portugal	101	116	109	122	117
Spain	98	113	107	125	116
Sweden	106	108	103	112	106
Switzerland	108	110	110	117	112

1/ Only those commodities of considerable significance in their respective countries are included. Thus, these indices may differ from those calculated by the individual countries or other organizations.

EC milk production declined about 3 percent to 106.2 million tons as a result of the EC's policy of milk delivery quotas, established in 1984 to control the burgeoning dairy surplus and support costs. During 1985 the number of EC dairy cows dropped 1.6 million (including almost 1 million cows in milk production) to 24.5 million. In addition to culling the least productive cows, producers lowered feeding of concentrates to cut yields. Nevertheless, the EC's 1985 milk production (106.2 million tons) still exceeded the 1985/86 delivery quotas by about 8 percent.

Pork production in Western Europe continued to increase to 12.5 million tons in response to increased demand. EC pork production was up 1.5 percent to 9.9 million tons, with significant increases in the Netherlands and Denmark. Dutch pork production, aided by favorable returns, rose 6.5 percent to 1.34 million tons. Lower feed costs and high pork prices due to the outbreak of swine fever in Belgium induced the Dutch expansion. Also, Danish pork production rose

6 percent, induced by a recovery in export markets that had been lost because of a 1983 outbreak of foot and mouth disease. West Germany's pork production continued to increase, almost offsetting the drop in the second largest producer, France. Outside the EC, pork production rose slightly, primarily in the major producers, Spain and Austria.

Pork production will likely continue climbing in 1986, with an increase in EC production more than offsetting a slight drop in the non-EC countries. EC hog numbers at the end of 1985 were 3 percent above the previous year, and a marginal (0.7 percent) increase in pork is expected in 1986. Slaughtering is expected to rise about 5 percent because continued economic growth implies an increase in pork consumption. Lower feed costs are expected to compensate for weakened producer prices resulting from excessive supplies in many countries. Outside the EC, pork production is expected to drop marginally as a result of lower Swedish and Austrian production. In Spain, pork production will likely be up marginally. Spain's hog numbers are expected to approach a record high, even though excessive supplies will probably reduce slaughter.

Mutton and lamb production continued to increase in the EC, where output rose 1.3 percent to 0.8 million tons, sustained by both price supports and increasing consumption.

Poultry meat production rose 1.4 percent, with increases in both EC and non-EC countries. Production in the Community rose about 1.5 percent, primarily the result of higher output in France, the United Kingdom, and the Netherlands. Lower feed prices improved profitability, and overall economic growth increased consumption. Intra-regional trade in the EC provided the markets. Increased self-sufficiency and competition in the importing markets cut EC exports. Outside the EC, poultry meat production was also up 1.3 percent, with Spain accounting for most of the increase.

In spite of reduced feed costs and sustained domestic consumption levels, poultry meat and egg production in the EC are expected to drop in 1986, affected by increased competition and greater self-sufficiency in the non-European import

markets. In the two major producers, France and the Netherlands, poultry meat and egg production are heavily dependent on exports, which have fallen sharply in recent years. [Jim Lopes (202) 786-1717]

AGRICULTURAL TRADE

EC Exports Rise But Face Increased Competition

EC agricultural exports rose to 24.9 billion ECU, an 8-percent increase in value during the first three quarters of 1985 compared to the same period a year earlier. Because the average value of the dollar was higher in 1985, dollar-valued agricultural exports from the EC actually fell slightly, at \$18.2 billion compared to \$18.6 billion in the previous year. The gradual fall in the dollar from its February 1985 peak and the somewhat accelerated decline after the Group of Five meeting in September returned the ECU-dollar exchange rate to levels above those of 1984. This situation will pose difficulties for EC exporters, however, who are forced to lower prices to compete with dollar-denominated goods or see their exports fall off. A more difficult competitive environment in the fourth quarter implies an overall export performance in 1985 about equivalent to that of 1984.

EC imports continued to decline, falling in both ECU and dollar terms to \$29.9 billion in the first three quarters of 1985, compared to \$34.5 billion a year earlier. A substantial improvement in the EC's balance of agricultural trade, on the order of \$1 billion, is anticipated for the year, continuing a decreasing trend but leaving a deficit on the order of \$15 billion. Remaining imports are largely tropical products which cannot be produced in the EC. The sluggishness of export markets means that the deficit will probably not be reduced much beyond this point.

Intra-EC trade increased over the period to \$35.4 billion from \$33.9. This substantial increase during a period of modest economic growth is a good sign for the European food industry. Further gains are to a large extent dependent on the dismantling of national obstacles to the free flow of goods. The

enlargement of the EC to include Spain and Portugal should also provide a wealth of new possibilities for the food industry.

U.S. Exports Decline

U.S. agricultural exports to Western Europe declined sharply in 1985, falling about 22 percent to \$6.9 billion. The decline was even more severe when measured against the \$11.5–\$12.0 billion exported from 1980–1982. While the dollar reached its peak value in February 1985, it continued above average 1984 values for most of the year, declining more steeply only in the last quarter. A record 1984 EC grain crop and much-improved crops in the Iberian peninsula, which had been plagued by drought in the early 1980's, also constrained U.S. exports. Declines occurred especially in the bulk commodities which had been the mainstay of U.S. exports. Only other feeds and fodders, which profit from high EC feed prices, and nuts and preparations, managed to show modest gains.

The EC in particular and Europe in general are becoming more self-sufficient in the bulk temperate commodities which have comprised more than two-thirds of U.S. exports in the past. While exports of grains, oilseeds, and non-grain feeds will continue, albeit at reduced levels, the future for agricultural export market development lies in more highly processed food. In some cases tariffs, quotas, and differing national health regulations now block the way to expansion.

U.S. exports in fiscal 1986 are forecast at about the current level. While quantities of most commodities will increase, lower prices will offset these gains. The U.S. market share will improve but prospects for the future promise competition for a gradually declining European market.

Meat and Dairy Exports Off

EC meat and dairy exporters struggled against over-supplied markets both internally and externally in 1985. The value of internal shipments declined from \$9.5 billion for the first 3 quarters of 1984 to \$9.0 billion in 1985. Performance in national currencies was somewhat better because of the strong dollar. While making EC exports more competitive abroad, the dollar's strength could not compensate EC exports for weak economic

performance in the Third World, declining oil revenues among the OPEC countries, and debt burdens of many traditional importing countries.

EC poultry exports to the Middle East fared poorly, particularly in Saudi Arabia and Iraq. Petroleum revenues are falling in both these countries; in addition, Iraq is involved in a costly war. Over the near term many mid-Eastern poultry importers may increase their domestic production. The Soviet Union has not been importing in recent years, further adding to the decline in EC exports.

EC pork exports to the United States expanded in 1985. Growing exports of both the traditional prepared hams and frozen pork meat continued the widening EC penetration of the U.S. market begun in 1984. Falling U.S. production and the strong dollar benefited EC exporters. The fall in the dollar has since made EC exports less profitable, and it will be difficult to maintain this market as lower U.S. interest rates help U.S. farmers meet indebtedness problems.

Dairy and egg exports were the most depressed category of EC livestock and product trade. In spite of dairy quotas and reduced production, the EC had difficulty finding outlets for all of its surplus, owing to increased competition from Australia and New Zealand, sluggish Third World sales, and the Iran–Iraq war. Butter sales to the Soviet Union were at such low prices as not to improve the overall situation measurably. Although some gains for the dairy sector may result from enlargement, they will be modest, as Spain and Portugal have traditionally imported from the EC.

EC Cereal Exports Remain Near Record High

EC grain exports to third countries are forecast at 23.5 million tons in 1985/86, below the previous year's record. An increase in intra-EC trade of about 1.5 million tons is expected to keep total EC cereal exports near last year's record, at 47 million tons. Increased production and competition in the major import markets are the principal causes of the drop in EC grain exports to non-EC countries this year. Lower EC production will make it possible, however, to slightly reduce the Community's grain stocks from the

1984/85 record to 24 million tons in 1985/86. The forecast of another large crop in 1986/87 may indicate that another build-up in EC stocks lies ahead.

Wheat accounts for about three-fourths of total EC grain exports. In 1985/86 EC wheat grain and flour sales are estimated at 16.5 million tons (grain equivalent), approximately equivalent to the previous year's total. Exports of wheat to the USSR, which totaled 5.7 million tons in 1984, are likely to decline because of much smaller USSR import requirements after a substantially improved harvest.

World wheat trade this year is expected to decline by about 18 million tons from 1984/85. EC wheat and flour export licenses from August 1985 to February 1986 are about equal to the 10.2 million tons issued for the same period last year, but because of competition and lower world wheat prices, the EC export subsidy to move wheat to non-EC countries has rapidly climbed from \$12 per ton in July to about \$68 at the end of February 1986.

EC grain imports, which have been trending rapidly downward in recent years, are expected to fall further to an estimated 4.9 million tons in 1985/86, less than half the level 5 years earlier. In spite of the poor quality of wheat in some countries, such as the United Kingdom, wheat imports are expected to remain at last year's level. Imports of quality wheat for blending have been replaced in recent years by production of gluten, which is in turn blended with local wheats (see below EC Gluten). Coarse grain imports are also expected to continue the downward trend of recent years, dropping to about 2.7 million tons in 1985/86.

Other Western Europe is expected to import less grain in 1985/86. The forecast is 6 million tons, including 1.2 million tons for wheat, down from 10.1 million tons (1.8 million wheat) just 2 years earlier.

Other Western Europe's 1985/86 grain imports from the United States are estimated at 3.5 million tons—compared to about 5 million tons the previous year, and nearly 10 million in 1980/81. Both Spain and Portugal, the major U.S. markets in the region, are expected to import significantly less U.S.

grain in 1985/86. A record grain crop (20.0 million tons), greater barley production, and substantial use of wheat for feed (1.4 million tons) are likely to reduce Spain's imports of grains, nearly all corn, in 1985/86. Although Spain's corn imports increased rapidly before March 1, 1986, in anticipation of higher domestic prices resulting from the import levies of the EC Common Agricultural Policy (CAP), Spain's corn imports are not expected to exceed 3.3 million tons for the year. Greater competition from Argentina and France is expected to further reduce Spain's imports of U.S. corn to 1.8 million tons.

Increased competition from Spain and France is expected to cut Portugal's imports of U.S. wheat to about 500,000 tons in 1985/86, compared with an average of 600,000 tons in recent years. As a result of accession, barley and feed wheat will also become more competitive relative to imported corn in the feed grain market. This changing price relationship, along with weak demand from the feed industry and increasing use of non-grain feeds, is likely to reduce Portugal's imports of U.S. corn to about 1 million tons, less than half the level just 2 years earlier.

The long-term outlook for Western Europe's grain trade indicates increasingly large supplies for export, mainly by the EC. The entry of Spain and Portugal to the EC on January 1, 1986 will give the EC-10 countries a trade advantage on these markets.

EC Gluten Replaces Hard Wheat Imports

U.S. exports of wheat and products to the EC have fallen from 2.6 million tons in fiscal 1982 to barely over a million tons in 1985. Forecast exports for 1986 show a slight recovery to 1.2 million tons. Previous export levels may never again be attained, however, as a burgeoning EC wheat gluten industry replaces imports of Hard Red Winter Wheat, previously purchased even in years of surplus harvests for its high protein content.

EC production of wheat gluten is estimated at 60,000 metric tons in 1985, up from 20,000 in 1980. Of this year's total, 18,000 is incorporated in pet food while 40,000 is mixed with flour from domestic soft wheats for baking purposes. Washing of soft wheat flour for the production of gluten requires about 700,000 tons of wheat at current

production levels. An additional 2,800,000 tons of soft wheat is blended with the gluten to fabricate baking flours. A total of 3.5 million tons of wheat is thus used, displacing an estimated 2.86 million tons of imported hard wheat. As about 50 percent of EC hard wheat imports have come from the United States in recent years, U.S. exporters may experience a substantial loss.

The prospects for hard wheat imports to the EC are not encouraging for third country exporters. The EC is generally a surplus producer and exporter of soft wheat, largely of bread-making quality. Forecasts for the gluten industry show continued growth of production over the next few years. By 1990 EC production of wheat gluten could reach 100,000 tons. The use of this additional gluten in baking flour may displace nearly all of the current hard wheat imports. Some blended flour could eventually be exported. The amount of EC soft wheat used for gluten production will be greater than the amount of hard wheat displaced, decreasing available supplies slightly. Exports of blended flour would assure the EC's position as the dominant world wheat flour exporter.

Soybean Meal Loses Market Share

EC soybean meal use in 1985/86 is forecast at 14.6 million metric tons, about equivalent to the prior season's use. The share of soybean meal in the 8 major oilmeals consumed will decline slightly, from 68 to 65 percent. Despite sharply lower U.S. soybean prices, increased EC domestic production of rapeseed and sunflowerseed meal is leading to some substitution for soybean meal in feed rations. U.S. exports of soybeans and products could increase somewhat this year, as drought-reduced Brazilian shipments will be sharply curtailed, leaving only Argentina with export availabilities.

In Spain and Portugal soybean meal could become more competitive in the short term as a result of enlargement. The high EC cereal price supports have raised Spanish barley and corn prices by making U.S. oilmeals more price competitive with Spanish grains. These effects will be attenuated in 1985/86, however, by the excellent Spanish grain harvest and abundant feed grain supplies. Limitations on oilseed imports to Portugal

require that oilseed imports above the amount necessary to produce a maximum domestic oil target be accompanied by guarantees that oil produced will be re-exported. These limitations will hurt U.S. shipments to this market (see special article).

Over the next several years, EC support prices for sunflowerseed, some 50 percent higher than prevailing prices in Spain, will induce greater Spanish sunflower production. EC support systems ensure that domestic production is price competitive with imported oilseeds. The high support level will induce increased Spanish production in a relatively short time. The long-term outlook is for a decline in U.S. shipments of oilseeds and products to Western Europe. As total oilseed and meal consumption will increase marginally with population and income growth, the decline in U.S. market share will be somewhat larger.

U.S. exports of oilseeds and products to the EC-10 are forecast at \$1.97 billion in fiscal 1986, up from \$1.89 billion the previous year but substantially below the record \$4.2 billion shipped in 1982. U.S. exports will increase in the Other Western Europe region also, to \$547 million in fiscal 1986 from \$503 million a year earlier, but down from \$1.17 billion in 1982. Quantities shipped will show even larger gains, as 1986 U.S. export prices are forecast to reach only 85 percent of 1985 levels.

U.S. - EC Processed Fruit Dispute Settled

On November 29, 1985, the United States and the European Community settled under the GATT a long-standing dispute on EC aids to processors of certain canned fruits. The EC agreed to reduce aids to processors of canned peaches in syrup by 25 percent (to 146.25 ECUs per metric ton) in 1986. The EC had already reduced the processing aid for pears. Fruit cocktail is covered by the reductions of aids for peaches and pears.

The reduction in processing aids is expected to relieve recent pressure on the U.S. market from low-priced imports from the EC. U.S. imports from the EC of prepared and preserved fruit rose from negligible levels in the seventies to nearly 24,000 tons in 1984. In 1985, imports from the EC reached 31,000 tons,

a value of nearly \$34 million and over 50 percent above the 1984 value.

The processed fruit conflict represents one of the few U.S.- EC disputes before the GATT to reach a solution acceptable to both parties. While many cases are still outstanding, this settlement represents a positive sign in an arena otherwise marked by conflict.

U.S. Exports to New Members Face Uncertainties

The enlargement of the EC has increased U.S. concerns over trade with Iberia this year. Spain and Portugal are the United States' ninth- and fifteenth-largest agricultural customers, importing \$800 and \$500 million worth of U.S. agricultural goods in fiscal 1985, respectively. Consequently, trade with Iberia has received a great deal of attention this year.

U.S. exports to Iberia declined from \$1.9 billion in fiscal 1984 to \$1.3 billion in fiscal 1985, placing both countries substantially below growth trends for 1970-82. This decline was influenced by high U.S.-Iberian exchange rates, Iberian preparation for EC membership, weak Iberian economic growth, and a U.S. dollar which is stronger than the currencies of other agricultural exporters (principally Canada, Argentina, Australia, and Brazil). This decline in U.S. exports is expected to be reinforced by Iberian participation in the CAP.

Iberian preparation for EC membership has affected U.S. exports primarily by raising the profitability of domestic agricultural production and the cost of imported grains. In Spain, these changes have included a gradual raising of price supports and the implementation of policies which encourage corn production. In Portugal, many agricultural subsidies have been removed, agricultural import markets have been partially opened to private traders, and prices have begun to be brought closer in line with lower EC support prices. The chief effect of the changes in Spain will be to encourage greater investment in agriculture; in Portugal, the chief effect will be to make farm markets more competitive.

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Iberian EC membership will affect U.S. agricultural exports in the future in two ways.

First, the EC provides a higher level of price support to program commodities, except sugar beets and beef and pork, than current Spanish farm programs. (Program commodities include wheat, barley, corn, oats, rye, sorghum, rice, sunflowerseed, cotton, olive oil, milk, and wine). Higher support prices will encourage expanded production of some of these commodities and, as a consequence, diminish the need for imports. Second, the gradual adoption of the EC's variable levy on grains will eliminate price competition between EC and imported grain by substantially raising the price of imports, encouraging the diversion of higher-cost EC grains to markets which would otherwise import U.S. wheat and corn (see special article).

U.S. agricultural exports to Iberia in fiscal 1986 are expected to show small declines for EC program commodities in general, and large declines for the grains and feedstuffs affected by the variable levy. Imports of nonprogram crops will be likely to continue to decline in fiscal 1986 because of continued strength of the dollar relative to the currencies of other agricultural exporters and slow growth in the Iberian economies. [*Dale Leuck - Wheat Gluten, James Lopes - Cereals, Brooke Schwartz - Processed Fruits, Stephen W. Hiemstra - Enlargement, Stephen Sposato - Soybeans, Meat, Global Trade; Tel. (202) 786-1718*]

FARM INCOME AND PRICES

The 1985 downturn in Western Europe's farm income continued a see-saw which began in 1980. In the European Community, real farm income declined an estimated 8 percent in 1985, in sharp contrast to 1984's 3.8-percent recovery. A major cause of the slide was adverse weather, such as heavy rains in many regions of Western Europe which reduced production and quality of grains. Price declines were noted for sugar beets, potatoes, olive oil, and certain livestock products because of high production or poor markets.

Annual reversals in farm income have been common. By 1981, Western Europe's farmers had experienced the last phase of a 3-year deterioration in real income, largely due to relatively large costs, especially for .

energy inputs and farm debt repayment. In 1982, a generous EC farm support program contributed to a marked income improvement, and large quantities were marketed with the aid of EC export subsidies. In 1983, poor weather resulted in another deterioration. The improvement in 1984 was largely a result of good weather and a recovery in the output of grains, oilseeds, and other field crops. This occurred despite a relatively low increase in average farm support prices in both the European Community and other Western European countries.

The farm income situation would have been worse if inflation had not declined in 1985. Input prices rose only 1.4 percent, the lowest rate of increase in 5 years. Greece, whose inflation has been a serious problem for several years, was the only EC member with a input price increase (14.7 percent) above that of 1984.

Many countries in the European Community realized very low or negative changes in agricultural input prices in 1985. A major factor was a reduction in both prices and use of purchased feeds. The reductions reflect cost-cutting in dairying due to EC-wide dairy quotas. The EC-10 price index of feedstuffs declined by 4 percent, with sharp declines in nearly all the major EC producing countries. Declines in feedstuff prices contrasted with increases in the prices of inputs for soil improvement, especially fertilizer, as farmers increased applications to compensate for poor weather. Added costs were incurred for drying field crops and hay in extremely wet regions.

The rate of change in producer prices declined for the fourth consecutive year, rising by only 3.6 percent compared to 4.5 percent in 1984. Weaker EC support prices and weaker market prices due to an oversupply of livestock products contributed to the overall decline. With the exception of Greece and Italy, where the increases in agricultural producer prices were 8.0 percent and 6.5 percent respectively, most countries experienced very low or negative changes in 1985. Despite the relatively large increase in Greek producer prices in 1985, the EC-wide increase was only about one-third that of 1984.

The United Kingdom experienced the strongest drop in farm income in the European Community, reflecting a sharp decline in producer prices (-8.3 percent), while interest payments increased 22 percent. The decline in aggregate farm income was estimated by the Ministry of Agriculture in the United Kingdom at 43 percent in 1985, compared with a 35-percent increase in 1984. The poor quality of field crops contributed to the income drop. Income losses also resulted from a setback in grain exports in 1985 and increased imports of milling wheat.

Preliminary estimates of non-farm earnings indicate an increase of over 6 percent in 1985, and consequently a wider income gap between the farm and non-farm sectors in the United Kingdom.

Danish farmers, having experienced a serious income crisis in the early 1980's, have fared better in recent years. Although farm income declined marginally in 1985 (by 2.5 percent), it is nearly double 1981 (a record year for bankruptcies at 1,607 farms). In Denmark, as in many West European countries, income from non-farm sources has been increasing as part-time farming becomes increasingly popular.

Real farm income in France—where output was seriously affected by bad weather—declined by 7.8 percent, largely due to lower prices and grain output, although sales of livestock and horticultural products also fell in 1985. Outgoer premiums to dairy farmers, and special national credit assistance for beef producers, prevented a more serious decline. France's wine sector enjoyed an extremely successful season, with a 28-percent increase in production value.

In West Germany, estimates of the 1985 farm income decline range from 4 to 10 percent, reversing a banner increase of over 15 percent in 1984/85. As in most West European countries, reduced grain quality was an important factor, along with lower farm prices for other field crops and certain livestock products. Special income support derived from receipts from Value Added Taxes (VAT) which prevented even lower farm income levels for West German farmers.

In Greece, despite relatively high costs and reduced grain output due to drought, strong prices and markets for the highly important fruit and vegetable sectors contributed to a 19-percent increase in gross farm income. Indices of prices received by farmers for both fruit and vegetables increased by about one-fourth in 1985.

Member countries of the European Free Trade Association (EFTA) do not enjoy a supernational price and income support apparatus such as that of the European Community. Although similar national policies sustain relatively high farm prices and income in Sweden, Finland, and Norway, expenditures for these programs have been cut back in recent years, largely to reduce the costs for disposing of expensive surpluses. In 1985, Swedish farmers' profitability was reduced by lowering automatic compensation for input costs and reducing Government outlays for grain export subsidies. In Sweden and Norway, a two-price system in the milk sectors reduced producer prices and receipts. Net farm income in Sweden fell by about 30 percent, reflecting reduced marketings of field crops and more conservative farm programs in general. In Austria, lower producer prices and a deterioration in export markets resulted in a decline in real farm income of up to 5 percent, with dairy and wine producers hard-hit. From 1970 to 1984 Austrian farm income is estimated to have risen slightly above 9 percent—above the rate for non-farm workers. However, farm income is likely to have fallen below non-farm in 1985.

Austria's wine scandal is likely to have an adverse effect on farm income for several years, particularly for farmers in eastern Austria, a major growing area. Wine inspection regulations have been implemented, and will result in additional producer costs.

Farm Income Outlook

The pronounced slowdown in the increase of farmers' input prices is likely to continue throughout 1986, as most West European governments continue to curb inflation. Given more favorable weather than 1985, a larger percentage of grain production will be marketable. The short-run outlook for grain farmers is relatively poor, as export sales appear sluggish, stock levels are relatively high, and 1986 EC institutional support prices

for grains—and nearly all commodities under a CAP regime—are likely to increase marginally at best. However, a variety of policy factors in the European Community could exacerbate problems for grain producers in member countries. For example, if the proposed EC policy to tighten intervention standards for bread wheat is implemented, more wheat will be channeled into feed use. An increase in feed grain supplies and resulting price declines would benefit livestock producers and hurt grain farmers. [Marshall H. Cohen (202) 786-1716]

AGRICULTURAL POLICY

On January 1, 1986, the EC underwent its third enlargement, elevating Spain and Portugal to full membership and bringing total membership to 12. The enlargement will also change EC farm commodity output. Mediterranean products will become more prominent in EC farm production, and will affect EC budget decision-making. The change is already exerting influence, especially in this year's protracted debate on the 1986/87 farm price package, the negotiations for which have jeopardized chances for early reform of the Common Agricultural Policy (CAP).

New Commodity Mix

Last-minute compromises on farm sector questions enabled Spanish and Portuguese application for full membership in the EC to be ratified in time for the January 1, 1986 accession. However, the compromises reached included some which postpone resolution of divisive issues. Such cases concern primarily "Mediterranean products", an unofficial and diverse category including fruits and vegetables, wine, olive oil, some types of tobacco, cotton, rice, and durum wheat. EC financial support for the Mediterranean commodities will increase substantially as a result of enlargement, thus adding to the pressure on the EC budget.

The fragile rural economy typical of many Mediterranean areas is likely to increase EC financial commitment to farming there. High unemployment in more developed areas of the EC discourages migration of surplus farm labor from the south, as was possible during most of the post-World War II period. At the

same time, the enlargement generally was viewed in the EC as too great a political gain to forego on account of budget concerns.

The enlargement, however, implies that certain curbs on northern-EC agricultural areas will have to be implemented in the near future to keep spending within bounds acceptable to all members. The VAT (Value Added Tax), which funds EC activities, increased from 1 to 1.4 percent in 1986, a development conditional on achieving enlargement. Consequently, during enlargement negotiations, members of the EC sought to either delay or hasten full Spanish and Portuguese adaptation to the various Common Agricultural Policy (CAP) commodity mechanisms, depending on their national interests in the individual commodity categories.

The northern countries concentrated on securing the future of their characteristic farm sectors. In Italy and Greece, despite greater competition with Spanish and Portuguese farm production, the overriding interest was in adding to the political power of the southern tier of the EC, especially by gaining added votes in the EC Commission, in its Agricultural Committee, and in the European Parliament.

Price Freeze Proposed

Concern for the future of the EC budget persuaded the EC Commission to propose a freeze on most farm prices for 1986/87. The proposed 0.1 percent average price decline in ECU terms will be offset somewhat in national currency terms for France, Italy, and Greece, and generally by the prospective partial dismantling of negative MCA's. The latter are applied to the prices of farm goods from weaker currency countries in intra-EC trade, and tend to hold down sales to the stronger currency partner. The MCA changes come in the wake of the April 6, 1986 realignment of currencies within the European Monetary System (EMS). The realignment necessitated substantial increases in negative MCA's because of the revaluation of the West German, Dutch, Belgian, and Danish currencies. The EC postponed adjustment of "green rates" until 1986/87 farm prices are set, thus setting in motion the MCA adjustments.

Agreement to the Commission's price package was achieved in principle at the April meeting of the EC agricultural ministers. The Commission's annual proposal to the EC Council is usually met with substantial opposition from farm groups, which urge prices far more advantageous to their interests. This year, COPA (the organization of West European farmers' unions) proposed a 4.7-percent price hike. In addition, the United Kingdom, West Germany and France voiced reservations concerning the 1986/87 Commission proposal. Farm interests in these countries are threatened by enlargement because of the likelihood of added pressure on budget resources. All three countries have benefited considerably from EC payments to their grain, meat, or dairy sectors, but unmanageable surpluses resulting from high support prices have placed a serious drain on the budget, with no prospect for significant alleviation in view.

CAP Reform Dilemma

The persistent budget problem has motivated the Commission to consider various reforms of the CAP aimed at increasing exposure of EC farmers to the pressures of world agricultural prices. The Commission's July 1985 "Green Report," entitled *Perspectives for the Common Agricultural Policy*, looks ahead 15 years to consider EC policy options for solving its budget problem. The grain sector is presented as the key to a more market-oriented price policy because of the interrelationship of grains and livestock output. The report proposed that productive land be shifted to other crop sectors, especially oilseeds, in which the EC has a deficit, or be gradually removed from production. Nonetheless, the Green Report remains primarily a discussion document in the EC. Indeed, a "Green Report II" issued in December retreated from much of the original proposal.

In the latest price package proposal, the Commission actually softened its stance on lowering farm prices. The planned butter price reduction was given up and proposed price reductions for fruits and vegetables were lowered. Furthermore, reform of the beef sector, a major surplus sector, was postponed. However, the 3-percent coresponsibility levy, by which farmers will help pay for grain storage costs and export subsidies, has been

preserved. Delayed intervention payments and tightened quality standards are also to be implemented in the attempt to curtail surplus grain production.

The Commission is compelled to make concessions on reform because of the difficulties it faces in guiding an annual price program through the maze of competing national and sectoral interests. Its slowdown on reform initiatives has not earned the Commission support from farmers. At the same time, the Commission has been criticized for its "piecemeal approach" which, it is argued, can neither revamp a CAP designed under conditions of shortage, nor resolve the surplus disposal problem.

National Interests Asserted

Slow economic growth, uncertainty about the future of EC farm policy, and the general EC preoccupation with enlargement have apparently encouraged some member states to circumvent EC regulations in various commodity sectors. Italy, the EC's major milk-deficit member, delayed implementation of its milk quota under the EC program inaugurated in 1984. The system finally instituted by Italy in September 1985 is regarded in the EC as minimal compliance which will not reduce production, as is the intent of the dairy program. France is being brought before the European Court by the Commission for allegedly having financed various agricultural exports to Egypt, in part with national funding, which is prohibited under the Treaty of Rome establishing the EC.

Greece came under criticism in 1985 from various official and commercial quarters within the EC for allegedly hindering the importation of EC farm products (notably beef), by measures ranging from paperwork delays and spurious product requirements, to the effective closing of the most convenient ports for EC livestock imports. Greece is among the weaker EC economies, and although the EC has made concessions intended to strengthen Greece, the country's balance of trade deficit, especially in agricultural products, has deteriorated since its accession in 1981.

Another apparent fissure may be seen in Denmark's national debate on whether or not to support the mid-1985 EC proposal for reforms that would lead to a true "common

market" by 1992. In addition to eliminating remaining trade barriers among the member states, the proposed measures entail increasing power for the European Parliament in monetary, economic, and foreign affairs. Although it was never expected that the Danes would withdraw from the EC, the debate may have partly reflected the attraction of extra-EC solutions at a time of slow economic growth. In the February 1986 referendum that followed the debate, Denmark agreed to the reform measures. All members have now signed the reform agreement, which will take effect upon approval by the 12 national parliaments. On a related front, in February 1986 the EC agreed to talks with the European Free Trade Association (EFTA) toward further trade cooperation between the two groups. [Miles Lambert (202) 786-1716]

EC Temporarily Bans Farm Imports from Eastern Europe

In response to the nuclear accident at the Chernobyl power plant in the Soviet Union, the EC has banned food imports from seven Eastern European countries until May 31, 1986. An initial ban was imposed by the EC Commission on imports of cattle, swine, and fresh meat. On May 12, the EC Council of Foreign Ministers voted unanimously to ban imports of additional live animals, dairy products, fruit and vegetables, freshwater fish, snails and frog legs. The countries affected—the USSR, Bulgaria, Hungary, Romania, Czechoslovakia, Poland and Yugoslavia—all have regions that lie within 1,000 km (640 miles) of the Chernobyl reactor site. Sweden has imposed a similar ban.

The Council has also agreed to preserve individual EC member states' right to establish national safety standards on permissible radiation levels for imports not covered by the ban. Members are not, however, allowed to impose stricter standards on imports than those faced by their domestic producers. In addition, the EC has established maximum permissible radiation levels for certain commodities marketed within the Community.

Insufficient information is available upon which to base assessments of impacts, if any, of the accident on EC production, consumption and trade. [Mark D. Newman, Michael T. Herlihy (202) 786-1718].

ACCESSION OF SPAIN AND PORTUGAL TO THE EUROPEAN COMMUNITY: FOCUS ON GRAINS AND OILSEEDS

Reed E. Friend, Brooke Schwartz, Mark D. Newman

Abstract: Spain and Portugal's entry into the European Community will affect production of grains and oilseeds in the new EC-12 as well as U.S. exports. The 7- to 10-year transition to the EC Common Agricultural Policy (CAP) in Spain and Portugal will lead to higher producer prices in Spain and increased costs of imported U.S. grain in both countries. Both Spain and Portugal will maintain quantitative controls on the domestic sale of vegetable oils from imported oilseeds until 1991, requiring reexport of oil above certain marketing limits.

Keywords: European Community, agricultural production, agricultural trade, agricultural policy, EC Enlargement, Spain, Portugal, grains, oilseeds.

Overview of Enlargement

Spain and Portugal became members of the European Economic Community (EC) on January 1, 1986. The transition to the EC's Common Agricultural Policy (CAP) began on March 1, 1986. The rules for implementing the transition, which will last from 7 to 10 years for many major commodities, are still being defined and fine-tuned at the time of this writing.

Spain and Portugal purchased U.S. agricultural exports valued at \$1.9 billion in fiscal 1984. Their addition to the European Community makes the new EC-12 the largest market area for U.S. agricultural exports, despite sharp declines in recent years.

This article briefly sketches the mechanics of the transition to enlargement, then focuses on specific policies for grains and oilseeds.

Contrasts Between EC-12 and EC-10

This enlargement is the EC's third, and is complicated by sharp differences between new and old member countries. ^{1/} Spain and Portugal are characterized by lower levels of per capita income, the predominance of Mediterranean-type farming compared with the temperate farming of the north, a large

number of small farms and a high proportion of the labor force in farming (Table 5).

With membership of Spain and Portugal in the EC, the influence of Mediterranean agriculture in policy decisions will become more pronounced. Consequently, the temperate zone grain-oilseed-livestock complex will receive increased competition for Community funds.

Table 5—Selected data on the EC-10, Spain, Portugal, and the EC-12

Item	Year	Unit	EC-10	Spain	Portugal	EC-12
Population	1983	1,000	272,426	38,106	9,969	320,501
GDP per inhabitant - Standard Purchasing Power	1983		10,593	7,616	5,001	10,064
Agricultural population	1981	1,000	7,473	2,136	2,592	12,201
Unemployment rate % of working population	1983	Pct.	8.8	18.0	7.3	9.7
Total area	NA	km ²	1,658,884	504,800	92,070	2,255,754
Utilized agriculture area	1983	1,000mt	101,196	27,305	4,380	132,880
Number of agricultural holdings	NA	1,000	6,820	2,213	782	9,815
UAA per holding	1980	Pct.	13.2	10.7	5.6	12.0
Total agricultural production	1983	Mil.ECU	150,189	15,725	2,188	168,102
Agriculture as proportion of Gross Domestic Product	1983	Pct.	3.6	5.9	6.5	3.8
Agriculture and food imports as proportion of total imports	1983	Pct.	15.3	15.4	19.1	12.5
Agriculture and food exports as proportion of total exports	1983	Pct.	8.8	16.6	14.1	8.6
Balance of external trade in agriculture and food products	1983	Mil.ECU	-23,596	-1,325	-1,032	-16,588
Proportion of total household consumption spent on food, beverages, and tobacco	1982	Pct.	17.7	31.7	37.0	NA

^{1/} Denmark, Ireland and the United Kingdom joined the EC-6 (Belgium, France, Italy, Luxembourg, Netherlands, and West Germany) on January 1, 1973. Greece joined on January 1, 1981.

The outputs of the EC-10 and the new member countries complement one another to some degree—the EC-10 has surpluses of grains, meat and milk products, potatoes, and sugar, while Spain and Portugal are net importers (table 6). Conversely, the EC-10 is a net importer of fruit and vegetables while Spain and Portugal are net exporters. Productivity tends to be low in Spain and Portugal, and there is considerable potential for increasing grain yields. Factors expected to contribute to increased productivity are greater use of modern production techniques, extension of irrigation, restructuring and consolidation of farms, and the resowing of fallow land, which totals nearly 11 million acres in Spain.

Implementing Accession Treaties

The Treaties of Accession between Spain and Portugal and the EC-10 were difficult to achieve, and some of the rules for their implementation are still being worked out. In an effort to avoid drastic shocks to the old Community and the new member states, a 7- to 10-year transition period is specified for adjustment to EC prices and changes in marketing institutions. The establishment of a "supplemental trade mechanism" (STM) involving "indicative import ceilings" will

allow the EC-10, Spain, and Portugal to closely regulate trade in "sensitive" products ^{2/} during the transition period.

Prices

Under the CAP, EC prices have generally been above producer prices in Spain and below those in Portugal. Both countries have been adjusting prices and marketing institutions since the early 1980's in preparation for accession to the EC. The transition period will be 7 years for grains and 10 years for oilseeds in Spain. The 10-year transition in Portugal will involve two 5-year phases unless the EC Council changes this to a 3-year phase followed by a 7-year phase. Prices will move toward EC prices in equal increments. When country prices for a commodity are adjusted to within 3 percent of EC prices, the EC prices will automatically take effect.

Accession Compensatory Amounts (ACA's)

To prevent differences in institutional prices in Spain and Portugal from disturbing trade among the EC-10, Spain, and Portugal until prices are aligned, accession compensatory amounts (ACA's) will be applied to trade. For example, if support prices in Spain are lower than in the EC, the ACA's will act as a levy on EC-10 imports from Spain and as a refund on EC exports to Spain.

Conversely, if Spanish prices are higher than EC-10 prices, there will be a refund on EC imports from Spain and a levy on exports to Spain. Similar ACA's will be applied to trade between the two new member states. Trade with third countries will also be affected. For example, if the Spanish price is lower than the EC-10 price, the EC levies applied to imports from third countries will be refunded by the amount of the ACA, making the imports less expensive in Spain than in the EC-10. Also, under similar price relationships, EC export refunds on Spanish exports would be reduced

Table 6—Self-sufficiency ratios in selected agricultural products in the EC-10, Spain, Portugal and the EC-12, 1981/82-1983/84 averages ^{1/}

Item	EC-10	Spain	Portugal	EC-12
-- Percent --				
Grains (excl. rice)	109	57	27	100
Wheat	125	81	35	120
Corn	79	33	19	66
Barley	114	64	48	107
Rice	130	118	98	125
Potatoes	102	99	86	101
Sugar	141	96	0	133
Fresh vegetables	100	119	128	103
Fresh fruit (excl. citrus)	84	112	101	88
Citrus fruit	45	283	100	69
Processed tomatoes	149	343	370	166
Olive oil	100	126	NA	NA
Butter	131	100	48	131
Fresh milk products (excl. cream)	101	100	NA	100 ^{2/}
Skim milk powder	132	26	NA	129 ^{2/}
Cheese	107	91	90	106
Meats (excl. offal)	100	98	95	100
Beef and veal	104	92	84	102
Pigmeat	102	99	96	101
Sheep and goatmeat	74	99	99	78
Poultrymeat	111	99	100	108
Eggs	103	103	NA	103 ^{2/}
Wine	102	117	NA	NA

^{1/} 1981, 1982 and 1983 averages for livestock products.

^{2/} Excludes Portugal.

^{2/} Among the products subject to the STM are: trade between the EC-10 and Portugal in olive oil, oilcakes, flowers, and fruit-based products; EC-10 imports from Spain of wine products, fresh fruit and vegetables; and Spanish imports from the EC-10 of corn products, bovine animals and meats, milk products, fruits and vegetables, and breadwheat.

by the amount of the ACA in order to prevent Spain from undercutting exports from the rest of the EC on the world market.

Green Rates and MCA's

The amount of ACA's in each new member state will depend on the setting of the green rate of exchange. On March 1, 1986 the Spanish green rate was set at 1 ECU = 144.382 pesetas. The Portuguese green rate was set at 1 ECU = 150.355 escudos. Rates were set at market rates to minimize the need for Monetary Compensatory Amounts (MCA's). MCA's are to apply to Spanish agricultural trade from the beginning of the transition period; however, the Spanish MCA was initially set at zero. In Portugal, MCA's will be introduced in the second phase of the transition period, planned to begin in 1991. If, for example, the value of the peseta declined significantly against the ECU (and the value of all other member country currencies remained essentially unchanged), making Spanish exports cheaper to other EC countries and other EC country goods more expensive in Spain, the MCA would act as a tax on Spanish exports and as a subsidy on another member country's exports to Spain.

Grains, Oilseeds and Enlargement

Grains and oilseeds are the predominant U.S. agricultural exports to the two new member countries and the exports most seriously affected by enlargement. In the following analyses, each commodity will be discussed briefly in terms of production and prices, details of accession, and trade and trade prospects for the future.

Grains

EC grain support prices are lower than producer prices in Portugal and are higher than Spanish wheat and corn prices by 4.7 percent, at March 1, 1986 green rates (Table 7). Except for the support price for durum wheat, which will increase 53 percent, Spanish grain prices will increase 3-10 percent over as much as a 7-year transition, aside from any increases in EC support prices. These price relationships are expected to stimulate Spanish durum wheat production, with less incentive for increased barley and sorghum production. Barley is already in surplus in Spain, because of excellent crops in 1984 and 1985. Oat prices have been supported in Spain, but not in the EC-10. The transition may adversely affect Spanish oat production.

Grain prices in Portugal at accession were at or above EC prices. While the transition to EC prices will not act as an incentive to Portuguese grain production, nominal price rises in the several years prior to accession may have some impact on production.

Accession Agreement

This section discusses the major rules agreed to for Spain and Portugal's transition to the EC's common grain regulations.

Spain

The Spanish intervention prices became effective March 1, 1986 with financing from the EC's agricultural fund (EAGGF). Aid for durum wheat in the EC is currently 312.08 ECU per metric ton. On March 1, 1986 the Spanish intervention price for durum wheat

Table 7—Grain support prices in Spain, Portugal, and the EC-10, 1985/86

Type of grain	Support price in			Differences between	
	Spain 1/	Portugal 2/	EC	Spanish price and EC price	Portuguese price and EC price
	ECU/mt			Percent	
Soft wheat & corn	171.44	261.38	179.44	-4.5	45.7
Durum wheat	204.48	N/A	312.08	-34.5	N/A
Barley and sorghum	162.32	242.76	179.44	-9.5	35.3
Rye	167.06	248.08	181.23	-7.8	36.9

1/ December 1985 support prices converted at Spanish Green Rate of 144.382 pesetas = 1 ECU.

2/ December 1985 support prices converted at Portuguese Green Rate of 150.355 escudos = 1 ECU.

Source: EC Official Journal no. L-53.

was set at 227.12 ECUs/ton, including 22.64 ECU's/ton representing monthly increases from the start of the EC marketing year. A 107 ECU/ton ACA was set.

Under the Supplementary Trade Mechanism, Spanish imports of EC common wheat of breadmaking quality will be under an import ceiling from March 1, 1986 to December 31, 1989. The beginning amount will be 175,000 metric tons set for 1986 and increased 15 percent yearly over the next 3 marketing years. Import ceilings for subsequent years will be determined at a later date. The Commission is to ensure that the import ceiling is not exceeded.

With accession, Spain has adopted the EC's variable levy system. As world prices fall, the levy increases to keep imports from undercutting local sales. The levy will be reduced by ACA's equal to the difference between Spanish and EC intervention prices. Spain is permitted to have quantitative restrictions on imports from third countries of wheat flour, cereal groats and meal, wheat starch, wheat gluten, and breadmaking wheat.

The EC's export system became effective in Spain beginning March 1, 1986. As with the import levies, the export refund will be decreased by ACA's and financed from the agricultural fund (EAGGF).

Portugal

The accession agreement for Portugal is more complicated than that for Spain. The grain sector will be subject to a two-stage 10-year transition period. During the first 5 years, (March 1, 1986–December 31, 1990), an intervention system will be created and the domestic marketing arm of the state-run grain monopoly (EPAC) will be gradually dismantled. Between 1986 and 1990, Portuguese grain imports will be turned over to the private sector, with its share increasing by 20 percent per year. Portugal may use its own resources to provide growers with a minimum guaranteed price above the EC price and continue to subsidize millers and feed compounders. But as the state-run monopoly is gradually eliminated, the subsidies must be eliminated also. Guaranteed producer prices will be frozen for 5 years at the 1985/86 ECU level. The only price increases will be those resulting from any devaluation of the escudo

green rate. Customary increases in EC intervention prices are expected to narrow the difference between EC and the higher Portuguese prices.

During the second 5 years of the transition—January 1, 1991–December 31, 1995—guarantee thresholds will apply and EAGGF funds will be used to support price intervention in Portugal. Portugal's special aid for durum wheat will be phased out as the EC's is phased in so that the level of EC aid will be applied in full in 1995. The method of aligning Portuguese intervention prices with the much lower EC intervention prices has not been determined yet, but the EC intervention prices will be applied in full in 1995.

Privatized imports will be carried out by open tender with the variable levy equal to the difference between the world market price and a Portuguese threshold price. Initially the Portuguese threshold price will equal the EPAC price and the world price will be the Portuguese import price. EC suppliers will also benefit from a 5 ECU/ton preference on their offers. By 1987 or 1988, Portugal is expected to adopt the EC's system for fixing levies (the difference between the EC threshold price and the EC determined world price). Imports by EPAC will not be subject to variable levies. Levy proceeds from the liberalized imports will be retained by Portugal.

Grain import requirements by Portugal will be set at the beginning of each calendar year until 1990: imports from the EC-10 must account for 15 percent of total Portuguese imports each year. If 15 percent of the imports are not from the EC-10 in any one year, EPAC must make up the difference with purchases from the EC-10 the following year. An additional 0.5 percent of imports has been reserved for Spanish suppliers. EC suppliers will benefit both from subsidies to offset the variable levy system and a 5-ECU-per-ton preference on their grain offers. Both will stimulate a shift to EC sources of supply from the U.S.

Portugal's private sector imports from third countries under the tender system will be subject to variable levies equal to the difference between the Portuguese threshold price and the world market price. EPAC's imports under the non-privatized system will be duty free.

Portugal can maintain annual quotas for imports of corn starch from the EC. The quantity can either be 3 percent of the average of Portuguese production during the last 3 years prior to accession or the average of Portuguese imports during this period; the quotas will be increased annually at least 15 percent of value or 10 percent by volume. The fixed component used in the EC to ensure the protection of the processing industry will be applied by Portugal to imports at 30 ECU/metric ton of common wheat flour.

During the second transition stage (January 1, 1991–December 31, 1995), Portuguese imports from the EC will no longer be subject to variable levies. Portugal will levy a compensatory amount on imports from the EC equal to the difference between the Portuguese intervention price and the EC intervention price, but this compensatory amount must not exceed the variable levy applied to imports from third countries. Variable levies, calculated in the same manner as for EC imports, will be applied to imports from third countries. Quantitative restrictions applied during the first stage will be abolished for the second stage. The fixed component levied on imports will be abolished at the rate of 16.7 percent annually.

Trade and Trade Forecasts

Spain has been a significant importer of grain. As indicated earlier, it was less than 60 percent self-sufficient in the 1981/82 – 1983/84 period. During 1980–85, Spain's grain imports averaged 5.2 million metric tons yearly with the largest year being 1981 (8.0 million metric tons). Spain had a spectacular crop in 1984 and imports fell drastically in that year to 3.7 million metric tons. Imports declined further in 1985 to 2.9 million tons.

Spain's major import has been corn, rising to a record 6.4 million tons in 1982 and declining since that year. The major supplier has been the United States, followed by Argentina and Brazil. Supplies from the EC have been negligible. With accession, U.S. corn exports to Spain are expected to drop sharply.

Barley is Spain's second major imported grain, rising to a record 1.6 million tons in 1983 (a year of low grain production in Spain).

The EC (United Kingdom and France) and Canada were the major suppliers. The United States averaged only 117,000 tons annually between 1980 and 1984.

Spain is a major sorghum importer, largely from Argentina and the United States. Common wheat imports in recent years (1984 and 1985) averaged 200,000 tons, almost totally from the EC.

Portugal is a major cereal importer, averaging nearly 3 million metric tons in 1980–1985. As with Spain, corn is the major grain imported, with the United States far and away the predominant supplier. Imports from the EC were negligible. Accession is expected to cut sharply into U.S. exports of corn, wheat, and sorghum to Portugal.

Wheat is Portugal's second largest import. Imports rose to over 700,000 tons in 1981, but have averaged about 600,000 in more recent years. The United States has been the major supplier, with the EC supplying relatively minor quantities. Sorghum imports have come almost entirely from the United States.

Spain is a notable grain exporter, although exports are much lower than imports. The major grains exported are common wheat (and wheat meal or flour) and barley. The major market has been the USSR. Exports to the EC and the United States have been quite small.

The United States, the largest supplier of grains to Spain and Portugal, will suffer major losses in the future. An expected sharp increase in durum wheat production in Spain, the result of a phased-in major boost in prices and direct aid, could displace U.S. durum wheat in the EC–10 and other U.S. export outlets.

Variable export subsidies and import levies came into effect in Spain on March 1, 1986. Although the implementation will be gradual, with prices aligned over a 7-year period, Spanish producers will be benefiting from higher prices protected by the CAP and rising export subsidies to non-EC importers under the export program to effectively compete on world markets.

The supplementary trade mechanism is designed to closely monitor trade in what are termed sensitive products. As regards grains, provisions are made for the EC-10 to export 175,000 tons of breadmaking wheat to Spain. By mutual agreement, the amount may be increased by 15 percent in each of 3 years to 1990, and for the remainder of the transition period, the tonnage will be negotiated annually and could be a major boost to EC-10 exports.

The variable levy system will push prices of third-country imports to higher levels, as grains were previously imported by Spain and Portugal at world prices or below. Spain is expected to import larger quantities of soft wheat for feed from the EC in place of corn from third countries, including the United States.

Oilseeds

The EC, already the world's largest importer of oilseeds, high protein meals, and vegetable oils, will be an even more important market with the accession of Spain and Portugal. In the EC-10, however, production has also been increasing rapidly, reaching 4.98 million tons in 1985, over three times the 1980 level. During the same period, total EC use has remained fairly stable, while EC production as a percentage of total EC use increased from 9.6 to 31.7. With enlargement, self-sufficiency in the EC-12 is marginally lower. Rapeseed currently accounts for approximately 70 percent of total oilseed production. Sunflowerseed accounts for 22 percent. EC meal production and use have remained fairly stable since 1980, while meal exports have increased by nearly 30 percent.

Soymeal, which is almost entirely dependent upon imported soybeans, accounts for nearly three-quarters of total EC oilseed meal production and over 80 percent of meal exports.

Spanish oilseed production, largely sunflower with some rapeseed, has doubled since 1980, reaching nearly 1 million tons. The share of domestically produced oilseeds in total domestic use has increased from 16.5 percent in 1980 to 38.6 percent in 1985.

Portuguese production of sunflowerseed nearly tripled between 1980 and 1985, spurred by higher oilseed prices and ample supplies of irrigation. The expansion of crushing facilities in the early 1980s has nearly eliminated the demand for imported oilseed meals. Oilseed imports have risen rapidly and Portugal has become a net exporter of meals and vegetable oil.

Average yields for sunflowerseed in Spain and Portugal are substantially lower than those in the EC, as are yields for Spanish rapeseed.

Price rises associated with Spain's transition to CAP prices can be expected to serve as a major stimulus to Spanish oilseed production (table 8). The Spanish minimum grower price for rapeseed is 13 percent below the EC target price. Spanish soybean and sunflowerseed support prices, respectively, are 29 and 30 percent below those of the EC.

Portuguese oilseed prices were increased substantially in preparation for accession, so

Table 8--Oilseed support prices in Spain, Portugal and the EC-10, 1985/86

Type of oilseed	: Spain: : Minimum grower: : price	: Portugal: : Minimum grower: : price	: EC: : Target price	: Difference between : Spanish price : and EC price
	ECU's/MT			Percent
Sunflowerseed	401.1	573.5	573.5	-30.1
Rapeseed	402.8	464.1	464.1	-13.2
Soybeans	406.5	575.8	575.8	-29.4

1/ Prices converted at 144.382 pesetas = 1 ECU.

2/ Prices converted at 150.355 escudos = 1 ECU.

Source: Oilseeds and Products. USDA Foreign Agricultural Service. FOP-2-86. February, 1986, and Agra Europe March 7, 1986, and EC Official Journal No. L-53.

that they are now at EC support prices. Production of sunflowerseed has already been stimulated, albeit from a low level.

Accession Agreement

Production aids and intervention will be available in Spain and Portugal beginning in 1986/87. In each country, the starting target price for sunflowerseed will be the level prevailing in that country immediately before accession. For rapeseed, linseed, and soybeans, target and guide prices will be fixed at a level not higher than the Community price. Gradual alignment with EC prices will occur over a 10-year period. Beginning with the 1986/87 marketing year, prices in Spain and Portugal will be successively increased by an increasing percentage of the difference between national and EC prices. Target and guide prices in Spain and Portugal will be used to calculate intervention prices, minimum prices, and production aids during this period.

Spain and Portugal will maintain quantitative controls on the sale of vegetable oils from imported oilseeds until December 31, 1990, in order to protect the market for domestic olive oil. The restrictions are to be determined on the basis of average consumption levels and foreseeable trends in supply requirements. Soybean imports into Spain will be allowed only on the condition that above 90,000 tons, any amount of oil produced will be exported.

Prior to accession, Spain provided subsidies for soybean oil exports. It is seeking Commission approval to continue such subsidies during the transition period. Portuguese imports of oilseeds from the EC and from third countries will be controlled for 5 years through marketing limitations on domestic vegetable oil sales. Quantitative restrictions on imports of meal into Portugal will be permitted for 7 years. An average import level will be established for 1986, based upon average consumption during 1980-83 and foreseeable trends in demand. The level fixed for 1986/87 soybean oil marketing is 50,000 tons, equivalent to soybean imports of 285,000 tons. Above this level, importers must make a deposit which is refundable upon proof that the oil produced has been reexported. Portugal currently reexports about two-thirds of its soybean oil production.

Concern over the potential impact of vegetable oil marketing limitations on demand for U.S. oilseeds (referred to in the press as quotas) was one important contributing factor in the U.S. decision to announce trade sanctions against the EC on March 31.

The EC has a duty binding of zero on all oilseed and protein meal imports. Spanish and Portuguese customs duties will be reduced to zero over 10 years, beginning with the level prevailing January 1, 1985, and reduced by 9.1 percent each year (Table 9). In Spain, ad valorem duties plus compensatory duties on imports of oilseed meals range from 3.5 to 10 percent. In Portugal, 7-percent duties are levied on imported oilseed meals; however, the effective duty rates for imported soybeans, sunflowerseed and rapeseed were reduced to zero in 1984 in preparation for accession. At the same time, Portugal abolished the import monopoly held by IAPO, its state oilseed marketing agency, and made it a competitor on an equal footing with the private sector.

For Portugal, the Supplementary Trade Mechanism will apply to oilseed meal trade with the Community throughout the 10-year transition period. The STM allows the EC Commission to intervene if imports exceed the target ceiling.

Beginning March 1, 1986, the Portuguese Government will be allowed to control the prices and quantities of oilseeds and oilseed products in the domestic market in order to

Table 9--Pre-accession tariffs on oilseeds and meals: January 1, 1985 (ad valorem)

	: Spain 1/	: Portugal	: EC
	:	:	:
	Percent		
Soybeans	3.5	zero 2/	zero
Soybean meal	10.3	7.0	zero
Sunflowerseed	10.5	zero	zero
Sunflower meal	8.0	7.0	zero
Rapeseed	7.5	zero	zero
Rapeseed meal	8.0	7.0	zero

1/ Includes import duties plus compensatory duties.

2/ Officially bound at 200 esc/mt, but effective duty is zero due to duty restitution scheme.

Source: Oilseeds and Products. USDA Foreign Agricultural Service. FOP-2-86. February, 1986.

prevent disruption. In Portugal, 1986/87 guarantee thresholds for rapeseed and sunflowerseed will be set at 1,000 and 48,000 tons, respectively. Threshold levels in the following years will be fixed according to criteria used in the EC-10.

Trade and Trade Prospects

Spain is a major importer of oilseeds. During 1980-85, Spanish oilseed imports averaged 2.8 million metric tons, of which soybeans comprised 99 percent. During this period, U.S. soybean exports to Spain averaged nearly 2.1 million tons annually, or 75 percent of total Spanish oilseed imports. Spanish soybean imports have been declining, however, from an average of 3.1 million tons in 1980-82 to an average 2.6 million in 1983-85. The average U.S. market share dropped from 82 percent to 64 percent during the same period. Declining oilseed imports have been accompanied by substantial increases in domestic production of oilseeds and imports of oilseed meal. The shift in imports favors Brazil, Portugal, and Argentina, the principal suppliers of soybean meal to Spain, at the expense of the United States.

Spanish oilseed meal exports increased nearly sevenfold between 1981 and 1984. Soybean meal is the dominant export, followed by sunflowerseed meal. A substantial share of Spanish oilseed meal exports goes to the EC-10.

The trend in Portuguese imports has been the reverse of that in Spain. Average annual imports of oilseeds increased by 75 percent between 1980-82 and 1983-85, while average meal imports dropped by over 90 percent. This trend is largely attributable to the expansion of crushing capacity in the early 1980s. The share of soybeans in total oilseed imports increased from 53 percent in 1980-82 to 76 percent in 1983-85. Sunflowerseed accounts for nearly all other oilseed imports.

Prior to 1984, the United States accounted for approximately 95 percent of Portuguese soybean and sunflowerseed imports. With the elimination of U.S. CCC credit for Portuguese oilseed purchases in 1984, however, lower priced imports of soybeans from Brazil and Argentina and sunflowerseed from Argentina and Australia have been able to successfully compete for part of the market.

Portuguese exports of oilseed meals have increased dramatically in the past 5 years. Soymeal currently accounts for 82 percent of total meal exports, and sunflowerseed meal accounts for the remainder. Spain is the largest importer of Portuguese soymeal.

Both Portuguese and Spanish oilseed production will benefit from accession to the EC. CAP support prices and production aids, which are substantially higher than the price support levels prevailing in the new member states, are expected to stimulate oilseed production. Yields are likely to rise in response to improved technology and greater irrigation availability. The resulting increases in production in both Spain and Portugal are likely to partially displace oilseed imports.

Alignment of Spanish and Portuguese duty rates with those of the EC is not expected to adversely affect U.S. oilseed exports to these countries, as the EC has a zero duty binding for all oilseeds and products. For Portugal, the decline in oilseed meal duties while effective duties on oilseeds remain unchanged (at zero) may encourage greater imports of meals relative to oilseeds; however, an import quota for protein meals has been set at 110,000 metric tons for 1986. If the domestic marketing limitation on vegetable oil necessitates costly export subsidies in order to dispose of surplus oil, this shift is especially likely. In Spain, reduction of all duties should encourage imports of oilseeds and meals.

Portugal is a net importer of sunflowerseed. The United States is currently the largest supplier; however, EC sunflower production has increased substantially in the last 5 years. In both the EC and in Spain, domestically produced sunflowerseed has accounted for an increasing proportion of domestic oilseed use. Continuing production increases in the EC-12 may further erode U.S. oilseed exports to this market.

Several additional factors will help determine the new member states' future trade in oilseeds and oilseed products. One is the relative prices of feedgrains which can be substituted for oilseed meal. Another factor is the future of the Spanish and Portuguese livestock industries. In Spain, increases in oilseed consumption have until now been closely linked to an expanding livestock sector. Membership in the Community may

have a detrimental effect on both dairy and livestock production, as Spanish and Portuguese efficiency is lower than in the Community. The EC dairy quotas are likely to put an additional constraint on dairy production.

Conclusions and Implications

Spain and Portugal have been major export customers for U.S. agriculture, especially for grains and oilseeds. Their transition to the EC's Common Agricultural Policy is expected to have several important impacts:

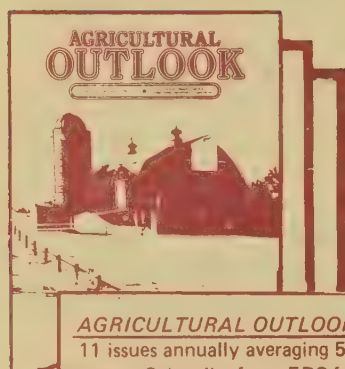
- (1) stimulation of grain (especially durum wheat) production in Spain, and oilseed production in both countries as a result of adoption of higher EC producer prices;
- (2) a shift to EC sources of supply for imported grain as a result of imposition of variable levies in both countries and a 15.5 percent quota reserved for grain imports of EC origin; and
- (3) medium-term reductions in soybean imports as a result of EC production of

sunflowers and domestic marketing limitations on vegetable oil sales that require reexport of oil produced from imported oilseeds. Although the 1986 limitations have been set above historical soybean oil consumption levels, a loss of export markets for soybeans could occur if oil reexport costs lead to substitution of meal imports for imports of oilseeds, especially soybeans.

Under Article XXIV:6 of the General Agreement on Tariffs and Trade (GATT), when the enlargement of a customs union, such as the EC, leads to changes in the border protection of new members, such as tariffs, quotas and subsidies, compensation should be negotiated with affected parties. As no negotiations had taken place and no planning for them had begun, U.S. sanctions in retaliation for the expected impacts mentioned above were announced on March 31. The EC issued a list of commodities for counter-retaliation in response to the first list. The conflict was at a standstill at the time of this writing.

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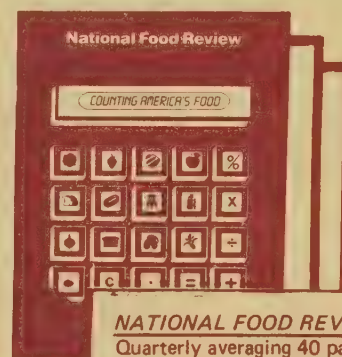


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Appendix Table 1: Area and production of grains in Western Europe, Annual 1982-85 1/

Country and year	Area								Production			
	Feed grains						Rice, paddy	Total grains	Feed grains			
	Wheat	Rye 2/				Total 3/			Wheat	Rye 2/		
			Barley	Oats	Corn						Barley	Oats
----- 1,000 hectares -----								----- 1,000 tons -----				
European Community												
Belgium-Luxembourg												
1982	183	8	149	52	7	208	—	399	1,063	33	814	225
1983	203	7	154	28	5	187	—	397	1,062	28	705	110
1984	194	9	152	27	8	187	—	390	1,333	42	934	122
1985	193	8	131	28	7	166	—	367	1,204	32	716	124
Denmark												
1982	180	55	1,485	43	—	1,532	—	1,767	1,207	235	6,357	178
1983	243	77	1,359	29	—	1,391	—	1,711	1,548	315	4,423	86
1984	333	122	1,180	31	—	1,214	—	1,669	2,446	608	6,072	150
1985	342	125	1,095	37	—	1,135	—	1,602	1,996	560	5,252	155
France												
1982	4,845	110	2,388	518	1,646	4,752	5	9,712	25,368	327	10,036	1,802
1983	4,811	97	2,140	434	1,654	4,416	7	9,331	24,807	278	8,759	1,374
1984	5,100	96	2,117	433	1,730	4,498	9	9,703	33,241	321	11,699	1,892
1985	4,832	84	2,249	425	1,856	4,750	12	9,678	29,199	283	11,470	1,800
Germany, Fed. Rep.												
1982	1,578	422	2,021	888	160	3,069	—	5,069	8,632	1,703	9,460	3,777
1983	1,655	456	2,035	729	169	2,933	—	5,044	8,998	1,646	8,944	2,489
1984	1,634	450	2,006	669	182	2,857	—	4,941	10,223	1,983	10,284	2,973
1985	1,612	437	1,949	697	178	2,824	—	4,873	9,866	1,877	9,690	3,278
Greece												
1982	1,033	3	311	52	163	526	16	1,578	2,983	6	872	82
1983	1,002	4	312	48	171	531	14	1,551	2,043	9	572	54
1984	924	7	334	44	205	583	16	1,530	2,646	15	831	72
1985	898	9	310	42	203	555	16	1,478	1,896	15	654	60
Ireland												
1982	57	—	334	23	—	357	—	414	380	—	1,530	93
1983	59	—	304	22	—	326	—	385	377	—	1,403	108
1984	78	—	294	24	—	318	—	396	585	—	1,666	131
1985	89	—	279	26	—	305	—	394	570	—	1,265	125
Italy												
1982	3,326	13	352	219	1,011	1,602	178	5,119	8,903	32	1,060	359
1983	3,328	11	383	209	986	1,603	184	5,126	8,514	28	1,174	307
1984	3,280	9	434	191	962	1,609	180	5,078	10,005	24	1,618	433
1985	3,033	9	468	184	910	1,579	187	4,808	8,516	23	1,630	387
Netherlands												
1982	131	6	44	24	1	69	—	206	967	26	247	136
1983	148	7	37	14	1	52	—	207	1,043	26	177	61
1984	143	6	34	12	1	47	—	196	1,131	25	192	58
1985	128	5	39	11	0	50	—	183	851	19	197	58
United Kingdom												
1982	1,663	6	2,222	129	—	2,361	—	4,030	10,320	27	10,960	575
1983	1,695	7	2,143	108	—	2,259	—	3,961	10,802	24	9,980	465
1984	1,939	6	1,978	106	—	2,092	—	4,037	14,957	28	11,055	515
1985	1,900	6	1,969	136	—	2,115	—	4,021	12,000	25	9,700	620
Total EC-10												
1982	12,996	623	9,306	1,948	2,988	14,476	199	28,294	59,823	2,389	41,336	7,227
1983	13,144	666	8,867	1,621	2,986	13,698	205	27,713	59,194	2,354	36,137	5,054
1984	13,625	705	8,529	1,537	3,088	13,405	205	27,940	76,567	3,046	44,351	6,346
1985	13,027	683	8,489	1,586	3,154	13,479	215	27,404	66,098	2,834	40,574	6,607

See footnotes at end of table

Appendix Table 1: Area and production of grains in Western Europe, Annual 1982-85 1/--Continued

Country and year	Production--Cont.				Yield							
			Rice, paddy	Total grains	Wheat	Rye 2/	Feed grains				Rice, paddy	Total grains
	Corn	Total 3/					Barley	Oats	Corn	Total 3/		
----- 1,000 tons ----- ----- Metric tons per hectare -----												
European Community												
Belgium-Luxembourg												
1982	52	1,091	—	2,187	5.81	4.13	5.46	4.33	7.43	5.25	—	5.48
1983	39	854	—	1,944	5.23	4.00	4.58	3.93	7.80	4.57	—	4.90
1984	53	1,109	—	2,484	6.87	4.67	6.14	4.52	6.63	5.93	—	6.37
1985	51	891	—	2,127	6.24	4.00	5.57	4.43	7.29	5.37	—	5.80
Denmark												
1982	—	6,551	—	7,993	6.71	4.27	4.28	4.14	—	4.28	—	4.52
1983	—	4,516	—	6,379	6.37	4.09	3.25	2.97	—	3.25	—	3.73
1984	—	6,229	—	9,283	7.35	4.98	5.15	4.84	—	5.13	—	5.56
1985	—	5,415	—	7,971	5.84	4.48	4.80	4.19	—	4.77	—	4.98
France												
1982	10,400	22,976	26	48,697	5.24	2.97	4.20	3.48	6.32	4.84	5.20	5.01
1983	10,400	21,200	35	46,320	5.16	2.87	4.09	3.17	6.29	4.80	5.00	4.96
1984	10,384	24,871	35	58,468	6.52	3.34	5.53	4.37	6.00	5.53	3.89	6.03
1985	12,300	26,455	63	56,000	6.04	3.37	5.10	4.24	6.63	5.57	5.25	5.79
Germany, Fed. Rep.												
1982	1,054	14,291	—	24,626	5.47	4.04	4.68	4.25	6.59	4.66	—	4.86
1983	934	12,367	—	23,011	5.44	3.61	4.40	3.41	5.53	4.22	—	4.56
1984	1,026	14,283	—	26,489	6.26	4.41	5.13	4.44	5.64	5.00	—	5.36
1985	1,204	14,172	—	25,915	6.12	4.30	4.97	4.70	6.76	5.02	—	5.32
Greece												
1982	1,449	2,403	83	5,475	2.89	2.00	2.80	1.58	8.89	4.57	5.19	3.47
1983	1,550	2,176	83	4,311	2.04	2.25	1.83	1.13	9.06	4.10	5.93	2.78
1984	1,990	2,893	90	5,644	2.86	2.14	2.49	1.64	9.71	4.96	5.62	3.69
1985	1,700	2,414	116	4,441	2.11	1.67	2.11	1.43	8.37	4.35	7.25	3.00
Ireland												
1982	—	1,623	—	2,003	6.67	—	4.58	4.04	—	4.55	—	4.84
1983	—	1,511	—	1,888	6.39	—	4.62	4.91	—	4.63	—	4.90
1984	—	1,797	—	2,382	7.50	—	5.67	5.46	—	5.65	—	6.02
1985	—	1,390	—	1,960	6.40	—	4.53	4.81	—	4.56	—	4.97
Italy												
1982	6,847	8,357	954	18,246	2.68	2.46	3.01	1.64	6.77	5.22	5.36	3.56
1983	6,669	8,250	1,029	17,821	2.56	2.55	3.07	1.47	6.76	5.15	5.59	3.48
1984	6,776	8,932	1,012	19,973	3.05	2.67	3.73	2.27	7.04	5.55	5.62	3.93
1985	6,350	8,433	1,076	18,048	2.81	2.56	3.48	2.10	6.98	5.34	5.75	3.75
Netherlands												
1982	1	384	—	1,377	7.38	4.33	5.61	5.67	1.00	5.57	—	6.68
1983	1	239	—	1,308	7.05	3.71	4.78	4.36	1.00	4.60	—	6.32
1984	1	251	—	1,407	7.91	4.17	5.65	4.83	1.00	5.34	—	7.18
1985	0	255	—	1,125	6.65	3.80	5.05	5.27	—	5.10	—	6.15
United Kingdom												
1982	—	11,574	—	21,921	6.21	4.50	4.93	4.46	—	4.90	—	5.44
1983	—	10,480	—	21,306	6.37	3.43	4.66	4.31	—	4.64	—	5.38
1984	—	11,605	—	26,590	7.71	4.67	5.59	4.86	—	5.55	—	6.59
1985	—	10,360	—	22,385	6.32	4.17	4.93	4.56	—	4.90	—	5.57
Total EC-10												
1982	19,803	69,250	1,063	132,525	4.60	3.83	4.44	3.71	6.63	4.78	5.34	4.68
1983	19,593	61,593	1,147	124,288	4.50	3.53	4.08	3.12	6.56	4.50	5.60	4.48
1984	20,230	71,970	1,137	152,720	5.62	4.32	5.20	4.13	6.55	5.37	5.55	5.47
1985	21,605	69,785	1,255	139,972	5.07	4.15	4.78	4.17	6.85	5.18	5.84	5.11

Continued—

Appendix Table 1: Area and production of grains in Western Europe, Annual 1982-85 1/

Country and year	Area							Production				
	Wheat Rye 2/		Feed grains				Rice, paddy	Total grains	Wheat Rye 2/		Feed grains	
			Barley	Oats	Corn	Total 3/					Barley	Oats
	----- 1,000 hectares -----							----- 1,000 tons -----				
Other Western Europe												
Austria												
1982	289	100	340	91	198	663	--	1,052	1,237	348	1,436	325
1983	313	93	340	83	208	663	--	1,069	1,417	348	1,449	292
1984	315	94	329	77	207	643	--	1,052	1,501	381	1,517	292
1985	312	100	338	80	209	660	--	1,072	1,466	390	1,521	296
Finland												
1982	143	16	540	459	--	1,010	--	1,169	435	35	1,599	1,320
1983	160	47	550	449	--	1,012	--	1,219	550	116	1,764	1,407
1984	154	44	526	419	--	960	--	1,158	478	92	1,724	1,327
1985	157	31	646	411	--	1,071	--	1,259	473	72	1,854	1,218
Norway												
1982	17	1	170	134	--	305	--	323	75	2	623	496
1983	23	1	181	119	--	301	--	325	97	2	569	402
1984	33	1	171	126	--	298	--	332	170	3	658	581
1985	40	1	165	129	--	295	--	336	180	2	623	495
Portugal												
1982	366	194	77	170	352	599	34	1,193	426	119	51	86
1983	331	133	88	191	311	590	27	1,081	327	93	54	99
1984	280	131	97	185	319	601	30	1,042	470	115	135	195
1985	274	122	90	179	330	599	30	1,025	385	99	94	142
Spain												
1982	2,662	212	3,615	442	418	4,510	68	7,452	4,410	169	5,269	443
1983	2,603	217	3,735	454	354	4,568	41	7,429	4,268	253	6,662	464
1984	2,267	233	3,944	473	436	4,880	73	7,453	5,800	325	10,000	780
1985	2,024	224	4,094	481	516	5,116	74	7,438	5,326	300	9,980	720
Sweden												
1982	283	54	635	477	--	1,173	--	1,510	1,490	211	2,378	1,663
1983	336	62	618	404	--	1,082	--	1,480	1,722	237	2,026	1,268
1984	315	62	644	428	--	1,135	--	1,512	1,776	247	2,733	1,904
1985	277	45	670	440	--	1,166	--	1,488	1,375	158	2,402	1,679
Switzerland												
1982	83	5	48	14	20	88	--	176	410	23	236	60
1983	84	4	51	11	19	88	--	176	410	18	240	52
1984	92	5	52	10	18	87	--	184	596	29	312	53
1985	89	5	53	10	17	87	--	181	548	26	269	46
Total Other Western Europe												
1982	3,843	582	5,425	1,787	988	8,348	102	12,875	8,483	907	11,592	4,393
1983	3,850	557	5,563	1,711	892	8,304	68	12,779	8,791	1,067	12,764	3,984
1984	3,456	570	5,763	1,718	980	8,604	103	12,733	10,791	1,192	17,079	5,132
1985	3,173	528	6,056	1,730	1,072	8,994	104	12,799	9,753	1,047	16,743	4,596
Total Western Europe												
1982	16,839	1,205	14,731	3,735	3,976	22,824	301	41,169	68,306	3,296	52,928	11,620
1983	16,994	1,223	14,430	3,332	3,878	22,002	273	40,492	67,985	3,421	48,901	9,038
1984	17,081	1,275	14,292	3,255	4,068	22,009	308	40,673	87,358	4,238	61,430	11,478
1985	16,200	1,211	14,545	3,316	4,226	22,473	319	40,203	75,851	3,881	57,317	11,203

— = None, or negligible

1/ Data for 1985 are preliminary.

2/ Rye is considered a bread grain but for the region, about half the crop is used for feed.

3/ Includes other grains: millet, sorghum, buckwheat, and mixed grains.

Appendix Table 1: Area and production of grains in Western Europe, Annual 1982-85 1/--Continued

Country and year	Production--Cont.				Yield							
			Rice, paddy	Total grains	Wheat	Rye 2/	Feed grains				Rice, paddy	Total grains
	Corn	Total 3/					Barley	Oats	Corn	Total 3/		
----- 1,000 tons -----				Metric tons per hectare -----								
Other Western Europe												
Austria												
1982	1,551	3,442	--	5,027	4.28	3.48	4.22	3.57	7.83	5.19	--	4.78
1983	1,454	3,311	--	5,076	4.53	3.74	4.26	3.52	6.99	4.99	--	4.78
1984	1,542	3,472	--	5,354	4.77	4.05	4.61	3.79	7.45	5.40	--	5.09
1985	1,550	3,495	--	5,351	4.70	3.90	4.50	3.70	7.42	5.30	--	4.99
Finland												
1982	--	2,948	--	3,418	3.04	2.19	2.96	2.88	--	2.92	--	2.92
1983	--	3,212	--	3,878	3.44	2.47	3.21	3.13	--	3.17	--	3.18
1984	--	3,091	--	3,661	3.10	2.09	3.28	3.17	--	3.22	--	3.16
1985	--	3,099	--	3,644	3.01	2.32	2.87	2.96	--	2.89	--	2.89
Norway												
1982	--	1,121	--	1,198	4.41	2.00	3.66	3.70	--	3.68	--	3.71
1983	--	973	--	1,072	4.22	2.00	3.14	3.38	--	3.23	--	3.30
1984	--	1,241	--	1,414	5.15	3.00	3.85	4.61	--	4.16	--	4.26
1985	--	1,120	--	1,302	4.50	2.00	3.78	3.84	--	3.80	--	3.88
Portugal												
1982	421	558	143	1,246	1.16	0.61	0.66	0.51	1.20	0.93	4.21	1.04
1983	424	577	109	1,106	0.99	0.70	0.61	0.52	1.36	0.98	4.04	1.02
1984	483	813	134	1,532	1.68	0.88	1.39	1.05	1.51	1.35	4.47	1.47
1985	526	762	148	1,394	1.41	0.81	1.04	0.79	1.59	1.27	4.93	1.36
Spain												
1982	2,330	8,166	401	13,146	1.66	0.80	1.46	1.00	5.57	1.81	5.90	1.76
1983	1,803	9,012	224	13,757	1.64	1.17	1.78	1.02	5.09	1.97	5.46	1.87
1984	2,505	13,395	437	19,957	2.56	1.39	2.54	1.65	5.75	2.74	5.99	2.68
1985	3,209	14,008	471	20,105	2.63	1.34	2.44	1.50	6.22	2.74	6.36	2.70
Sweden												
1982	--	4,225	--	5,926	5.27	3.91	3.74	3.49	--	3.60	--	3.92
1983	--	3,449	--	5,408	5.13	3.82	3.28	3.14	--	3.19	--	3.65
1984	--	4,875	--	6,898	5.64	3.98	4.24	4.45	--	4.30	--	4.56
1985	--	4,240	--	5,773	4.96	3.51	3.59	3.82	--	3.64	--	3.88
Switzerland												
1982	173	495	--	928	4.94	4.60	4.92	4.29	8.65	5.62	--	5.27
1983	139	459	--	887	4.88	4.50	4.71	4.73	7.32	5.22	--	5.04
1984	126	519	--	1,144	6.48	5.80	6.00	5.30	7.00	5.97	--	6.22
1985	157	500	--	1,074	6.16	5.20	5.08	4.60	9.24	5.75	--	5.93
Total Other Western Europe												
1982	4,475	20,955	544	30,889	2.21	1.56	2.14	2.46	4.53	2.51	5.33	2.40
1983	3,820	20,993	333	31,184	2.28	1.92	2.29	2.33	4.28	2.53	4.90	2.44
1984	4,656	27,406	571	39,960	3.12	2.09	2.96	2.99	4.75	3.19	5.54	3.14
1985	5,442	27,224	619	38,643	3.07	1.98	2.79	2.74	5.26	3.03	5.95	3.02
Total Western Europe												
1982	24,278	90,205	1,607	163,414	4.06	2.73	3.59	3.11	6.11	3.95	5.34	3.97
1983	23,413	82,586	1,480	155,472	4.00	2.80	3.39	2.71	6.04	3.75	5.42	3.84
1984	24,886	99,376	1,708	192,680	5.11	3.32	4.30	3.53	6.12	4.52	5.55	4.74
1985	27,047	97,009	1,874	178,615	4.68	3.20	3.94	3.38	6.40	4.32	5.87	4.44

Appendix Table 2--Area and production of selected nongrain crops in Western Europe,
average 1970-74, annual 1982-85 1/

Country and year	Area				Production							
	Potatoes	Sugar beets	Cotton	Tobacco	Potatoes	Sugar beets	Cotton	Tobacco	Olive oil	Fruit		
										Apples 2/	Pears 2/	Citrus
	1,000 hectares				1,000 tons							
European Community												
Belgium-Luxembourg												
1970-74	48	99	—	1	1,458	4,533	—	2	—	245	61	—
1982	38	124	—	1	1,342	7,430	—	2	—	270	97	—
1983	36	115	—	1	1,250	5,773	—	2	—	203	102	—
1984	37	122	—	1	1,336	6,339	—	2	—	231	72	—
1985	40	125	—	1	1,483	6,400	—	2	—	213	64	—
France												
1970-74	346	451	—	20	8,146	19,313	—	48	2	1,778	489	12
1982	209	539	—	15	4,662	29,680	—	45	2	1,978	429	33
1983	133	490	—	15	3,480	22,612	—	35	2	1,575	414	30
1984	135	506	—	14	4,535	25,000	—	36	2	1,982	450	25
1985	151	474	—	14	5,080	25,250	—	36	2	1,772	415	25
Germany, West												
1970-74	520	334	—	4	14,938	15,214	—	10	—	1,659	411	—
1982	238	418	—	3	7,049	22,732	—	7	—	2,637	534	—
1983	224	393	—	3	5,669	16,295	—	7	—	1,313	380	—
1984	219	406	—	3	7,272	20,060	—	8	—	1,799	449	—
1985	220	403	—	3	7,878	20,550	—	8	—	1,300	309	—
Greece												
1970-74	52	25	146	89	767	1,341	126	87	212	210	107	620
1982	50	41	137	90	1,015	2,548	100	131	230	265	129	882
1983	50	39	168	93	1,030	2,500	135	112	324	312	146	945
1984	60	28	192	93	1,053	1,655	145	140	230	321	117	990
1985	59	43	229	95	1,222	2,650	174	139	185	319	120	877
Italy												
1970-74	223	248	6	45	3,145	9,285	1	85	471	1,912	1,645	2,583
1982	148	257	1	65	2,625	11,266	1	145	430	2,642	1,142	2,511
1983	140	215	1	71	2,542	10,086	1	156	824	2,056	1,202	3,677
1984	138	225	1	76	2,467	11,489	1	161	390	2,217	1,066	2,984
1985	135	220	1	77	2,400	11,000	1	161	492	2,070	920	3,265
Netherlands												
1970-74	155	109	—	—	5,769	5,045	—	—	—	441	112	—
1982	163	134	—	—	6,219	7,946	—	—	—	440	105	—
1983	161	123	—	—	5,155	5,450	—	—	—	364	121	—
1984	162	123	—	—	6,711	6,976	—	—	—	388	115	—
1985	172	120	—	—	7,550	6,776	—	—	—	310	100	—
Denmark												
1970-74	33	56	—	—	828	2,254	—	—	—	75	8	—
1982	35	73	—	—	1,236	3,624	—	—	—	59	3	—
1983	30	74	—	—	860	2,616	—	—	—	47	4	—
1984	30	75	—	—	1,121	3,614	—	—	—	54	4	—
1985	30	73	—	—	1,073	3,516	—	—	—	45	4	—
Ireland												
1970-74	48	29	—	—	1,282	1,110	—	—	—	8	—	—
1982	37	34	—	—	1,100	1,659	—	—	—	9	—	—
1983	32	36	—	—	700	1,630	—	—	—	10	—	—
1984	35	35	—	—	800	1,610	—	—	—	9	—	—
1985	35	35	—	—	779	1,694	—	—	—	8	—	—
United Kingdom												
1970-74	241	191	—	—	7,000	6,502	—	—	—	423	58	—
1982	192	202	—	—	6,875	10,007	—	—	—	340	40	—
1983	195	199	—	—	5,858	7,614	—	—	—	293	54	—
1984	198	199	—	—	7,400	9,159	—	—	—	316	48	—
1985	191	206	—	—	7,067	8,884	—	—	—	293	50	—
Total EC-10												
1970-74	1,666	1,542	152	159	43,333	64,597	127	232	685	6,751	2,891	3,215
1982	1,110	1,822	138	174	32,123	96,892	101	330	662	8,640	2,479	3,426
1983	1,001	1,684	169	182	26,544	74,576	136	312	1,150	6,173	2,423	4,652
1984	1,014	1,719	193	187	32,695	85,902	146	347	622	7,317	2,321	3,999
1985	1,033	1,699	230	190	34,532	86,720	175	346	679	6,330	1,982	4,167

Continued—

Appendix Table 2--Area and production of selected nongrain crops in Western Europe,
average 1970-74, annual 1982-85 1/-Continued

Country and year	Area				Production							
	Potatoes	Sugar beets	Cotton	Tobacco	Potatoes	Sugar beets	Cotton	Tobacco	Olive oil	Fruit		
										Apples 2/	Pears 2/	Citrus
	1,000 hectares				1,000 tons							
Other Western Europe												
Austria												
1970-74	96	47	—	—	2,375	2,059	—	1	—	170	47	—
1982	47	58	—	—	1,121	3,510	—	—	—	340	57	—
1983	47	42	—	—	1,015	2,024	—	—	—	263	49	—
1984	40	51	—	—	1,000	2,564	—	—	—	276	54	—
1985	40	42	—	—	1,000	2,100	—	—	—	252	46	—
Finland												
1970-74	51	19	—	—	770	563	—	—	—	—	—	—
1982	39	32	—	—	601	790	—	—	—	16	—	—
1983	45	32	—	—	804	1,060	—	—	—	16	—	—
1984	41	32	—	—	745	915	—	—	—	16	—	—
1985	45	35	—	—	600	850	—	—	—	17	—	—
Norway												
1970-74	31	—	—	—	744	—	—	—	—	49	10	—
1982	25	—	—	—	530	—	—	—	—	44	8	—
1983	21	—	—	—	433	—	—	—	—	51	8	—
1984	20	—	—	—	593	—	—	—	—	47	12	—
1985	25	—	—	—	600	—	—	—	—	53	8	—
Portugal												
1970-74	111	—	—	—	1,123	—	—	1	52	132	55	163
1982	115	1	—	1	1,100	70	—	2	23	105	75	120
1983	110	1	—	1	1,150	70	—	3	13	108	68	115
1984	110	1	—	2	1,200	70	—	4	45	68	71	115
1985	120	1	—	2	1,100	70	—	4	35	73	75	120
Spain												
1970-74	401	195	94	17	5,250	5,270	51	28	399	766	414	2,946
1982	338	259	49	22	5,222	9,085	55	42	666	892	451	3,024
1983	340	249	40	22	5,163	9,619	37	43	266	1,075	551	3,890
1984	343	209	60	22	5,950	8,395	52	46	658	1,019	489	2,638
1985	326	182	64	23	5,772	7,541	65	47	355	1,096	569	3,352
Sweden												
1970-74	49	42	—	—	1,214	1,925	—	—	—	30	5	—
1982	40	54	—	—	1,030	2,432	—	—	—	43	5	—
1983	40	53	—	—	811	1,922	—	—	—	42	5	—
1984	40	52	—	—	756	1,922	—	—	—	37	6	—
1985	38	52	—	—	923	2,200	—	—	—	44	5	—
Switzerland												
1970-74	27	10	—	1	1,075	463	—	2	—	109	22	—
1982	15	15	—	1	1,050	826	—	2	—	140	22	—
1983	24	15	—	1	1,000	832	—	2	—	115	22	—
1984	23	15	—	1	1,100	850	—	2	—	159	23	—
1985	23	15	—	1	975	840	—	2	—	131	20	—
Total Other Western												
1970-74	766	313	94	19	12,551	10,280	51	31	451	1,256	553	3,109
1982	619	419	49	24	10,654	16,713	55	46	689	1,580	618	3,144
1983	627	392	40	24	10,376	15,527	37	48	279	1,670	703	4,005
1984	617	360	60	25	11,344	14,716	52	52	703	1,622	655	2,753
1985	617	327	64	26	10,970	13,601	65	53	390	1,666	723	3,472
Total Western Europe												
1970-74	2,432	1,855	246	178	55,884	74,877	178	263	1,136	8,007	3,444	6,324
1982	1,729	2,241	187	198	42,777	113,605	156	376	1,351	10,220	3,097	6,570
1983	1,628	2,076	209	206	36,920	90,103	173	360	1,429	7,843	3,126	8,657
1984	1,631	2,079	253	212	44,039	100,618	198	399	1,325	8,939	2,976	6,752
1985	1,650	2,026	294	216	45,502	100,321	240	399	1,069	7,996	2,705	7,639

-- = None or negligible.

1/ Data for 1985 are preliminary.

2/ Dessert and cooking only.

Appendix table 3--Production of principal livestock products in Western Europe, average 1970-74
annual 1982-85 1/

Country and year	Principal red meats				Poultry meat 3/	Cow's milk 4/	Eggs
	Beef and veal	Sheep and goat meat	Pork 2/	Total			
	1,000 tons						
European Community							
Belgium-Luxembourg							
1970-74	281	3	534	818	111	4,011	223
1982	287	5	700	992	140	4,066	192
1983	291	7	707	1,005	144	4,161	186
1984	322	8	740	1,070	144	4,120	181
1985	324	8	740	1,072	155	4,075	177
France							
1970-74	1,577	129	1,341	3,047	727	24,092	668
1982	1,698	180	1,610	3,488	1,330	27,358	935
1983	1,764	179	1,624	3,567	1,284	27,905	883
1984	1,936	175	1,625	3,736	1,247	27,595	878
1985	1,845	176	1,609	3,630	1,277	27,043	877
Germany, West							
1970-74	1,291	11	2,403	3,705	266	21,458	882
1982	1,478	28	2,666	4,172	379	25,465	771
1983	1,494	29	2,722	4,245	344	26,913	767
1984	1,616	29	2,735	4,380	351	26,000	769
1985	1,574	27	2,755	4,356	357	25,000	776
Greece							
1970-74	93	96	76	265	79	611	121
1982	89	119	155	363	156	684	148
1983	86	120	148	354	153	677	147
1984	85	122	146	353	153	664	145
1985	82	124	147	353	154	650	148
Italy							
1970-74	1,072	48	626	1,746	775	8,691	626
1982	1,107	68	994	2,169	976	10,800	660
1983	1,149	67	1,046	2,262	977	10,580	642
1984	1,182	71	1,098	2,351	950	10,176	633
1985	1,210	71	1,090	2,371	929	10,100	645
Netherlands							
1970-74	311	11	753	1,075	314	8,904	262
1982	413	12	1,165	1,590	419	12,708	628
1983	433	11	1,201	1,645	399	13,231	630
1984	495	9	1,258	1,762	410	12,782	652
1985	485	12	1,340	1,837	419	12,325	653
Denmark							
1970-74	195	1	753	949	86	4,706	76
1982	232	1	991	1,224	110	5,217	84
1983	241	1	1,048	1,290	112	5,427	82
1984	247	1	1,040	1,288	111	5,234	81
1985	235	1	1,093	1,329	106	5,090	81
Ireland							
1970-74	241	44	146	431	37	3,899	41
1982	344	42	155	541	53	5,172	36
1983	352	40	163	555	55	5,627	38
1984	387	42	142	571	53	5,930	38
1985	387	44	133	564	54	6,000	38
United Kingdom							
1970-74	952	232	1,001	2,185	631	13,212	851
1982	960	268	977	2,205	805	16,745	794
1983	1,046	286	1,037	2,369	825	17,300	776
1984	1,135	286	955	2,376	856	16,550	765
1985	1,115	290	980	2,385	875	15,900	758
Total EC-10							
1970-74	6,013	575	7,633	14,221	3,026	89,584	3,750
1982	6,608	723	9,413	16,744	4,368	108,215	4,248
1983	6,856	740	9,696	17,292	4,293	111,821	4,151
1984	7,405	743	9,739	17,887	4,275	109,051	4,142
1985	7,257	753	9,887	17,897	4,326	106,183	4,153

Appendix table 3--Production of principal livestock products in Western Europe, average 1970-74
annual 1982-85 1/--Continued

Country and year	Principal red meats				Poultry meat 3/	Cow's milk 4/	Eggs
	Beef and veal	Sheep and goat meat	Pork 2/	Total			
1,000 tons							
Other Western Europe							
Austria							
1970-74	167	1	259	427	46	3,290	88
1982	200	2	375	577	66	3,554	99
1983	197	2	377	576	66	3,634	101
1984	209	2	379	590	74	3,741	105
1985	213	2	391	606	75	3,773	107
Finland							
1970-74	107	3	131	241	7	3,175	73
1982	115	1	183	299	16	3,166	82
1983	117	1	176	294	18	3,236	84
1984	124	1	169	294	20	3,224	89
1985	126	1	166	293	21	3,101	88
Norway							
1970-74	58	16	73	147	8	1,732	37
1982	81	23	81	185	11	2,023	45
1983	80	21	80	181	11	1,992	45
1984	80	24	80	184	11	1,967	45
1985	80	24	80	184	11	1,950	45
Portugal							
1970-74	80	25	106	211	74	458	40
1982	117	25	179	321	150	793	72
1983	102	26	176	304	162	794	67
1984	93	28	180	301	155	720	72
1985	89	29	179	297	155	740	76
Spain							
1970-74	344	143	545	1,032	556	3,914	490
1982	420	141	1,115	1,676	853	5,947	729
1983	422	141	1,120	1,683	813	6,070	717
1984	385	137	1,181	1,703	789	6,240	594
1985	384	131	1,185	1,700	800	6,400	598
Sweden							
1970-74	145	3	258	406	30	3,030	100
1982	160	5	325	490	48	3,654	121
1983	160	5	316	481	47	3,715	122
1984	154	5	323	482	44	3,795	120
1985	156	5	329	490	45	3,718	120
Switzerland							
1970-74	133	3	209	345	18	3,234	41
1982	161	4	290	455	24	3,663	43
1983	153	4	291	448	25	3,731	45
1984	166	4	276	446	26	3,858	43
1985	158	4	280	442	27	3,790	44
Total Other Western Europe							
1970-74	1,034	194	1,581	2,809	739	18,833	869
1982	1,254	201	2,548	4,003	1,168	22,800	1,191
1983	1,231	200	2,536	3,967	1,142	23,172	1,181
1984	1,211	201	2,588	4,000	1,119	23,545	1,068
1985	1,206	196	2,610	4,012	1,134	23,472	1,078
Total Western Europe							
1970-74	7,047	769	9,214	17,030	3,765	108,417	4,619
1982	7,862	924	11,961	20,747	5,536	131,015	5,439
1983	8,087	940	12,232	21,259	5,435	134,993	5,332
1984	8,616	944	12,327	21,887	5,394	132,596	5,210
1985	8,463	949	12,497	21,909	5,460	129,655	5,231

1/ Data for 1985 are preliminary.

2/ Excludes commercial lard.

3/ On ready-to-cook basis.

4/ As reported; it does not always include amounts fed young animals.

Appendix table 4--Agricultural imports by country, European Community and Other Western Europe, 1982-84

Commodity and year		SITC Numbers		European Community					
		Major headings	Sub-headings	Belgium Luxembourg	France	West Germany	Italy	Netherlands	Denmark Ireland
Million dollars									
Live animals	1982	00		280.6	424.3	257.1	1,476.5	73.7	1.7 153.4
	1983			248.6	419.5	220.6	1,210.7	83.3	2.0 120.5
	1984			229.1	330.5	209.4	1,015.4	60.2	2.3 119.8
Meat and meat preparations	1982	01		432.5	2,043.3	2,269.1	2,458.5	438.6	18.7 57.8
	1983			377.7	1,998.5	2,055.7	2,278.5	357.6	21.8 64.8
	1984			334.1	1,742.4	1,922.9	1,897.2	327.3	30.9 64.8
Dairy products and eggs	1982	02		1,000.4	422.4	1,571.1	1,683.6	1,082.9	60.7 44.4
	1983			753.8	436.5	1,649.9	1,525.0	1,000.2	50.3 46.2
	1984			701.8	376.9	1,462.7	1,413.0	878.0	68.1 32.1
Cereals and cereal preparations	1982	04		1,319.9	916.8	1,395.6	1,393.0	1,156.9	136.4 184.5
	1983			1,135.4	786.4	1,219.2	1,273.8	1,036.7	157.2 199.5
	1984			1,252.6	754.8	1,205.6	1,417.0	993.7	128.5 188.1
Wheat and flour	1982	041, 046		263.0	258.9	352.2	696.5	321.3	12.4 54.6
	1983			218.4	135.6	253.7	550.6	236.2	26.0 69.1
	1984			265.0	106.7	301.5	747.5	247.4	20.4 70.0
Rice	1982	042		93.1	146.0	92.8	102.7	64.9	8.3 2.4
	1983			75.2	169.8	90.6	49.0	68.5	8.0 2.3
	1984			84.8	162.4	92.4	54.4	66.2	8.9 2.5
Feed grains	1982	043-045		790.9	238.2	594.2	487.0	612.8	67.6 38.4
	1983			684.3	197.9	542.4	569.4	579.9	74.3 44.6
	1984			723.5	174.8	485.1	513.0	522.1	48.2 34.5
Fruit and vegetables	1982	05		982.0	2,451.5	4,917.6	707.3	1,710.0	235.1 214.3
	1983			877.3	2,387.6	4,771.1	689.0	1,543.1	235.8 183.7
	1984			869.0	2,380.7	4,797.4	685.9	1,531.0	249.4 188.2
Sugar, sugar preparations, and honey	1982	06		124.4	249.4	375.5	177.6	183.4	77.1 68.1
	1983			80.7	231.1	349.9	284.7	178.6	77.5 66.8
	1984			194.0	232.7	308.8	267.6	194.0	73.3 63.0
Coffee, tea, cocoa, spices, etc.	1982	07		544.0	1,396.0	2,438.6	825.0	1,040.2	241.2 109.2
	1983			541.5	1,446.2	2,334.8	837.7	1,067.7	227.8 102.2
	1984			611.6	1,555.0	2,629.5	894.4	1,288.6	247.1 122.2
Animal feed	1982	08		581.8	1,023.6	1,525.9	651.1	1,354.5	506.9 157.1
	1983			627.1	1,059.8	1,626.7	711.2	1,568.3	514.8 189.7
	1984			600.7	939.6	1,425.1	671.2	1,259.1	436.8 153.0
Oilseed cake and meal	1982	0813		245.9	851.7	954.3	319.8	568.0	441.3 90.0
	1983			267.0	881.7	986.9	353.7	699.1	447.8 101.6
	1984			247.9	789.6	860.9	315.5	533.1	366.5 78.9
Mealmeal and fishmeal	1982	0814		31.6	30.1	123.7	33.7	46.7	3.2 5.5
	1983			32.1	28.4	142.7	34.5	43.9	3.8 3.4
	1984			48.9	27.6	120.7	28.0	49.7	7.2 2.8
Miscellaneous food preparations	1982	09		162.5	191.6	233.2	62.2	152.4	30.6 47.8
	1983			158.7	200.0	242.2	70.7	145.8	30.3 47.0
	1984			165.0	222.7	254.4	81.6	180.5	33.4 48.6
Lard	1982	0913		10.0	2.5	3.5	0.4	28.8	1.2 0.5
	1983			10.7	3.5	3.4	0.5	27.9	1.9 0.6
	1984			13.1	7.9	4.1	6.6	31.4	3.0 0.5
Margarine and shortening	1982	0914		13.8	40.8	15.9	9.0	7.8	0.2 1.6
	1983			13.9	43.0	13.4	7.9	6.0	0.1 2.3
	1984			16.9	58.1	22.9	10.1	18.3	0.1 3.0

See footnotes at end of table.

Appendix table 4—Agricultural imports by country, European Community and Other Western Europe, 1982-84—Continued

		Total EC-10	Other Western Europe							Total OME	Total Western Europe
United Kingdom	Greece		Austria	Finland	Norway	Portugal	Spain	Sweden	Switzer- land		
Million dollars											
233.0	17.7	2,918.0	6.6	3.5	1.6	9.8	26.4	4.1	12.8	64.8	2,982.8
258.3	23.1	2,586.6	8.5	4.2	2.6	8.0	22.0	3.9	12.8	62.0	2,648.6
264.0	22.9	2,254.0	5.5	3.3	2.0	8.4	30.6	6.2	13.0	69.0	2,323.0
2,399.3	442.5	10,560.2	52.8	1.2	14.5	13.1	113.1	54.8	209.6	459.1	11,019.3
1,991.7	514.8	9,661.0	49.8	0.6	11.3	21.0	94.0	56.5	205.2	438.4	10,099.4
1,801.1	456.1	8,577.0	46.7	1.1	12.0	9.3	113.5	43.2	197.9	423.7	9,000.7
994.3	236.4	7,096.3	55.3	1.9	5.0	24.7	119.1	33.7	151.5	391.2	7,487.5
954.2	220.9	6,637.2	48.2	2.9	6.5	12.3	104.3	30.4	134.0	338.6	6,975.8
811.3	208.8	5,954.1	48.0	4.1	6.8	15.3	113.0	30.0	122.0	339.2	6,293.3
962.4	172.2	7,637.7	78.5	182.5	160.0	529.5	1,000.6	98.6	280.5	2,330.2	9,967.9
899.9	79.4	6,787.6	71.9	30.3	109.4	486.5	908.2	93.6	273.7	1,973.6	8,761.2
844.0	92.2	6,876.6	70.6	31.3	99.2	507.5	613.9	95.7	246.4	1,664.6	8,541.2
319.2	6.0	2,284.1	0.7	56.6	61.3	114.8	35.6	9.8	63.5	342.2	2,626.3
274.0	0.9	1,764.6	0.6	0.7	37.6	96.5	8.1	8.2	77.3	227.0	1,991.6
227.2	5.5	1,991.3	0.5	7.1	35.6	127.6	20.9	10.4	54.3	256.4	2,247.7
106.1	5.2	621.7	19.8	8.2	5.5	48.6	18.4	15.6	18.4	134.5	756.2
107.7	5.3	576.4	15.5	6.7	4.6	18.4	13.0	14.8	14.0	87.0	663.4
115.4	6.3	593.3	16.8	5.5	4.4	34.6	26.9	13.6	15.9	117.7	711.0
383.1	129.8	3,342.0	14.9	103.7	47.6	358.9	935.3	9.6	128.2	1,598.2	4,940.2
364.0	48.6	3,105.5	11.6	5.4	22.0	369.5	875.7	12.9	116.3	1,413.4	4,518.9
323.8	54.5	2,879.5	8.5	0.7	14.8	343.5	553.3	10.3	115.7	1,046.8	3,926.3
2,815.2	27.2	14,060.1	385.1	231.0	238.6	58.0	194.1	528.6	648.4	2,283.8	16,343.9
2,606.6	33.9	13,328.2	368.3	208.0	217.9	28.2	150.2	480.8	626.8	2,080.2	15,408.4
2,590.7	35.1	13,328.6	362.4	197.8	211.6	44.1	149.5	490.2	627.8	2,083.4	15,412.0
751.8	5.1	2,012.4	36.2	66.9	80.5	70.2	43.6	46.8	95.5	439.7	2,452.1
672.1	3.7	1,944.9	29.7	48.6	77.5	59.4	29.6	37.4	74.7	356.9	2,301.8
703.5	4.6	2,041.5	26.9	27.7	67.0	66.3	23.1	46.3	65.9	323.2	2,364.7
1,264.4	103.8	7,962.2	274.1	244.1	187.6	57.5	384.9	387.4	306.6	1,842.2	9,804.4
1,212.9	105.7	7,876.7	283.3	229.7	186.9	54.4	457.1	371.4	302.8	1,885.5	9,762.2
1,733.0	119.0	9,201.1	286.6	269.9	200.7	61.0	483.9	408.0	315.0	2,025.1	11,226.2
781.7	42.3	6,625.0	153.7	62.1	41.0	69.5	63.5	171.9	136.7	698.4	7,323.4
793.9	39.4	7,130.8	155.0	60.3	39.8	30.1	169.4	167.2	134.3	756.1	7,886.9
673.0	44.0	6,202.5	149.3	55.4	40.7	28.3	189.5	159.2	134.6	757.0	6,959.5
358.0	5.1	3,834.1	115.1	—	20.4	44.8	42.3	67.6	8.8	299.0	4,133.1
411.3	3.1	4,152.2	115.4	—	20.0	10.0	147.0	51.9	8.2	352.5	4,504.7
350.9	11.6	3,554.9	109.5	0.2	19.4	5.9	165.4	49.5	14.7	364.6	3,919.5
96.6	17.3	388.3	15.5	47.5	—	0.6	8.1	49.9	41.8	163.4	551.7
80.6	13.5	382.9	16.4	48.0	0.1	—	10.0	56.5	42.7	173.7	556.6
78.0	13.8	376.7	15.6	43.9	0.1	0.1	11.3	55.3	36.4	162.7	539.4
316.2	19.9	1,216.6	34.1	36.0	36.0	7.7	46.9	66.5	49.7	276.9	1,493.5
318.2	30.1	1,242.9	34.0	35.4	34.2	7.2	46.7	68.2	50.5	276.2	1,519.1
351.9	48.7	1,386.9	36.4	34.8	37.7	7.6	38.8	68.6	56.3	280.2	1,667.1
97.3	—	144.4	—	—	0.1	0.2	—	—	0.4	0.7	145.1
74.7	—	123.3	—	—	0.1	0.3	—	0.1	0.5	1.0	124.3
83.7	0.3	150.6	—	—	0.1	0.2	—	—	0.7	1.0	151.6
39.3	2.1	130.5	2.0	—	0.1	—	2.8	4.5	0.7	10.1	140.6
40.8	12.0	139.4	2.3	—	0.1	—	2.3	5.0	0.7	10.4	149.8
48.2	23.4	200.9	2.9	—	0.2	—	2.6	6.0	1.6	13.3	214.2

Continued—

Appendix table 4--Agricultural imports by country, European Community and Other Western Europe, 1982-84--Continued

Commodity and year	SITC Numbers		European Community						
	Major headings	Sub-headings	Belgium Luxembourg	France	West Germany	Italy	Nether- lands	Denmark	Ireland
Million dollars									
Beverages	11								
1982			437.3	548.9	991.3	250.9	379.2	116.3	53.6
1983			423.1	499.6	933.0	238.0	347.1	113.6	49.1
1984			396.0	482.6	836.5	233.4	349.0	116.3	54.0
Nonalcoholic	111								
1982			55.7	36.6	61.9	5.6	63.8	2.9	5.9
1983			55.9	47.2	51.9	5.9	51.9	2.8	5.0
1984			69.1	59.7	50.1	4.7	54.2	2.9	5.9
Wine	1121								
1982			264.5	275.5	651.4	52.4	235.9	86.7	19.5
1983			253.9	218.8	618.3	41.9	218.1	86.3	17.4
1984			229.0	207.6	546.1	44.7	218.0	88.7	18.1
Tobacco, unmanufactured	121								
1982			124.7	64.8	548.1	131.7	290.9	39.1	32.8
1983			126.9	76.8	567.8	163.7	315.5	33.8	19.4
1984			122.8	92.7	467.7	120.9	283.2	75.3	17.5
Tobacco, manufactured	122								
1982			90.9	465.1	143.0	304.8	199.5	5.7	20.1
1983			98.4	430.0	148.2	304.6	199.7	6.0	22.2
1984			106.1	454.8	141.1	293.9	178.2	5.2	20.6
Hides, skins, and furs, undressed	21								
1982			80.3	240.4	391.3	934.5	89.2	281.4	3.2
1983			83.8	205.4	357.4	824.4	99.9	233.7	1.5
1984			100.8	214.4	361.5	1,177.9	125.0	70.0	4.2
Oilseeds, oil nuts, and oil kernels	22								
1982			480.3	330.2	1,567.8	445.7	964.1	84.2	4.2
1983			496.1	303.3	1,453.3	447.0	990.0	85.6	3.2
1984			542.7	334.3	1,311.5	505.7	1,088.1	84.2	2.9
Soybeans	2214								
1982			408.9	234.2	958.7	369.5	735.7	48.9	2.2
1983			408.1	220.8	770.3	376.0	702.4	50.4	1.7
1984			409.7	178.4	723.8	444.5	809.7	44.3	0.9
Natural rubber	2311								
1982			27.4	157.4	165.9	135.1	18.3	4.8	7.1
1983			36.2	178.5	190.4	128.9	19.6	4.8	7.5
1984			40.5	188.4	212.4	142.0	13.9	4.4	7.6
Natural fibers	261- 265								
1982			274.7	750.4	796.8	1,188.8	85.0	19.7	60.2
1983			299.1	732.6	809.9	1,257.0	74.8	21.3	58.4
1984			387.1	828.0	902.2	1,527.5	77.7	22.7	63.1
Raw cotton	2631								
1982			55.3	266.2	324.6	336.3	23.0	4.2	28.4
1983			58.5	269.4	351.6	443.4	16.3	4.4	30.0
1984			63.8	276.0	374.6	490.9	17.1	5.0	34.0
Crude animal & veg. matls. not elsewhere spec.	29								
1982			177.2	599.7	1,386.3	316.4	297.1	126.4	34.0
1983			163.2	604.6	1,369.0	306.0	307.7	144.2	32.2
1984			157.1	584.6	1,311.0	300.5	333.2	142.2	28.2
Agricultural fats and oils	4								
1982			281.9	674.4	715.8	382.5	556.8	99.0	44.2
1983			272.3	618.3	723.7	556.8	560.6	93.3	42.0
1984			367.7	825.7	1,037.8	511.8	846.0	130.2	59.1
Animal & vegetable oils & fats, pro- cessed	431								
1982			63.3	107.0	141.0	36.3	73.9	42.8	10.4
1983			61.6	93.0	136.1	36.0	82.3	37.3	9.7
1984			80.0	125.6	194.3	49.1	123.5	63.4	12.6
Total agri- cultural									
1982			7,402.5	12,950.2	21,690.1	13,525.4	10,072.7	2,085.0	1,295.8
1983			6,799.8	12,614.7	21,023.1	13,107.6	9,896.1	2,053.8	1,255.7
1984			7,178.7	12,540.8	20,797.5	13,156.9	10,006.7	1,920.3	1,237.0
Total imports									
1982			57,213.4	115,453.7	154,049.1	83,834.1	62,583.2	16,834.2	9,696.2
1983			53,653.5	105,271.8	152,010.8	78,322.5	61,585.5	16,179.0	9,169.0
1984			54,746.3	103,612.7	152,872.0	81,970.9	62,136.1	16,535.9	9,658.0

— = None or negligible.

Source: UN Trade Statistics, 1980-1984. SITC is the Standard International Trade Classification, revised.

Appendix table 4—Agricultural imports by country, European Community and Other Western Europe, 1982-84—Continued

		Total EC-10	Other Western Europe							Total OME	Total Western Europe
United Kingdom	Greece		Austria	Finland	Norway	Portugal	Spain	Sweden	Switzer- land		
Million dollars											
905.8	29.2	3,712.5	44.7	20.6	35.4	19.5	86.2	138.4	321.8	666.6	4,379.1
936.2	30.1	3,569.8	39.2	20.1	41.5	6.6	98.5	132.6	271.8	610.3	4,180.1
946.7	29.3	3,443.8	37.4	16.6	35.7	5.7	85.3	124.2	269.5	574.4	4,018.2
46.2	8.1	286.8	4.8	2.7	4.4	—	3.2	7.5	22.2	44.8	331.6
52.2	8.8	281.6	3.7	1.9	2.0	—	8.6	7.4	24.8	48.4	330.0
40.1	8.1	294.8	3.2	1.1	2.5	—	3.2	9.0	23.8	42.8	337.6
576.1	0.8	2,162.6	19.9	8.1	13.8	0.3	3.5	65.7	255.8	367.1	2,529.7
595.3	1.0	2,051.0	15.4	8.7	18.6	0.2	4.5	64.5	202.6	314.5	2,365.5
625.4	1.0	1,978.5	15.4	7.9	17.5	0.2	3.0	61.3	202.5	307.8	2,266.3
438.1	25.5	1,695.7	35.9	34.5	22.9	35.4	275.3	41.7	105.0	550.7	2,246.4
424.5	30.7	1,759.1	34.4	35.5	25.5	27.9	299.3	48.6	95.1	566.3	2,325.4
429.4	33.5	1,643.0	30.6	35.3	26.4	27.5	324.4	51.9	79.7	575.8	2,218.8
120.5	12.7	1,362.3	6.4	1.8	21.9	1.6	56.6	30.9	14.8	134.0	1,496.3
98.1	10.7	1,317.9	5.7	2.9	20.4	0.5	49.1	29.8	15.5	123.8	1,441.7
116.9	8.2	1,325.0	5.3	3.7	22.9	0.2	60.0	31.9	14.3	138.3	1,463.3
331.6	29.7	2,381.5	25.2	33.2	20.9	35.8	164.1	47.6	10.7	337.5	2,719.0
280.3	28.3	2,114.8	29.5	33.2	14.0	36.5	142.7	47.7	10.5	314.1	2,428.9
315.7	34.6	2,404.2	33.6	34.0	21.5	54.4	226.2	59.2	16.9	445.8	2,850.0
454.3	40.8	4,371.6	12.1	35.2	80.6	232.0	804.7	23.4	39.6	1,227.6	5,599.2
407.4	56.1	4,241.9	9.5	39.3	94.6	282.6	795.0	18.0	43.1	1,282.1	5,524.0
315.1	27.2	4,212.7	10.5	25.3	93.5	406.6	743.6	28.8	55.1	1,363.4	5,576.1
286.4	30.3	3,074.8	0.4	31.1	68.9	120.8	757.7	2.2	19.9	1,001.0	4,075.8
196.5	45.6	2,771.8	0.4	34.5	86.9	183.6	762.0	1.1	25.9	1,094.4	3,866.2
153.8	15.5	2,780.7	0.5	20.5	82.6	258.2	714.9	0.8	29.0	1,106.5	3,887.2
128.4	7.9	652.2	22.1	7.2	2.8	11.6	83.6	9.6	2.8	139.7	791.9
124.7	8.8	699.4	23.1	7.1	3.2	10.7	91.1	12.6	3.0	150.8	850.2
127.2	9.9	746.3	27.0	7.2	3.4	11.5	104.0	13.0	3.1	169.2	915.5
561.6	123.6	3,860.9	87.5	34.9	12.8	264.4	171.2	20.1	186.3	777.2	4,638.1
563.9	120.3	3,937.3	87.4	28.2	12.3	277.4	220.3	20.5	197.2	843.3	4,780.6
658.3	123.2	4,590.6	91.8	30.8	13.1	336.6	213.2	24.6	226.8	936.9	5,527.5
84.1	70.1	1,192.3	40.8	19.3	2.7	217.6	70.1	7.1	96.6	454.2	1,646.5
84.1	78.6	1,336.2	45.2	15.6	3.6	230.0	129.8	6.4	108.7	539.3	1,875.5
88.2	76.8	1,426.6	46.2	16.2	4.7	287.9	118.0	10.2	122.8	606.0	2,032.6
425.9	17.4	3,380.4	130.3	102.0	52.4	25.4	103.9	165.9	189.7	769.6	4,150.0
424.2	20.2	3,371.2	130.0	87.9	49.9	21.2	95.4	155.6	189.8	729.8	4,101.0
425.7	21.7	3,304.4	122.5	88.6	48.0	17.6	90.1	156.4	197.5	720.7	4,025.1
554.7	16.8	3,326.1	85.1	16.1	20.6	34.9	78.0	76.6	57.1	368.4	3,694.5
544.0	13.1	3,424.1	80.7	18.4	18.6	21.1	66.2	80.6	49.9	335.5	3,759.6
715.5	10.3	4,504.3	106.2	21.6	27.4	34.1	86.6	100.8	59.9	436.6	4,940.9
110.4	14.5	599.5	20.2	7.5	2.3	4.5	4.6	23.9	10.5	71.0	670.5
96.4	9.7	562.1	18.4	8.6	2.5	4.5	4.9	21.2	11.6	71.7	633.8
110.4	5.7	765.2	24.7	7.4	3.8	6.4	6.1	26.3	13.3	88.0	853.2
14,439.3	1,370.7	84,831.7	1,525.6	1,114.7	1,035.2	1,500.6	3,815.8	1,946.7	2,819.2	13,757.8	98,589.5
13,511.1	1,369.3	81,631.4	1,488.2	892.6	966.0	1,391.6	3,839.1	1,855.3	2,690.7	13,123.5	94,754.9
13,823.0	1,329.5	81,990.2	1,497.3	888.5	969.6	1,642.0	3,689.2	1,938.2	2,701.7	13,326.5	95,316.7
99,100.9	10,012.2	608,777.0	19,514.4	13,380.1	15,471.0	9,605.1	31,281.5	27,533.0	28,577.1	145,362.2	734,139.2
99,443.9	9,499.6	585,135.5	19,321.7	12,846.2	13,494.2	8,256.7	28,925.6	26,090.4	28,934.0	137,863.8	722,795.6
105,687.5	9,611.0	596,830.4	19,572.8	12,435.4	13,885.0	7,975.3	28,606.6	26,331.2	29,624.0	138,430.3	735,260.7

Appendix table 5--Agricultural exports by country, European Community and Other Western Europe, 1982-84

Commodity and year		SITC Numbers		European Community					
		Major headings	Sub-headings	Belgium Luxembourg	France	West Germany	Italy	Netherlands	Ireland
Million dollars									
Live animals	1982	00		188.4	970.9	362.5	17.7	575.0	240.3
	1983			210.4	889.3	341.4	11.9	537.6	291.0
	1984			196.6	796.6	294.5	17.1	502.6	277.8
Meat and meat preparations	1982	01		875.7	1,433.7	1,233.6	258.5	2,486.4	744.9
	1983			845.0	1,304.5	1,186.8	252.7	2,332.5	688.8
	1984			854.3	1,272.1	1,113.7	279.1	2,259.2	579.7
Dairy products and eggs	1982	02		890.0	1,903.8	2,220.9	172.3	3,116.3	530.0
	1983			718.1	1,757.8	1,891.5	166.6	2,802.0	490.4
	1984			737.2	1,729.8	1,868.1	179.5	2,539.3	633.5
Cereals and cereal preparations	1982	04		1,088.2	3,911.4	799.5	942.8	536.5	61.6
	1983			858.1	4,329.2	795.9	682.4	484.5	51.3
	1984			986.5	4,515.1	929.5	731.4	475.5	69.9
Wheat and flour	1982		041, 046	180.0	2,075.5	289.5	366.6	124.1	36.9
	1983			73.5	2,249.5	259.5	199.4	122.3	3.6
	1984			147.1	2,396.9	389.8	198.8	110.4	10.1
Rice	1982		042	104.9	3.9	23.5	271.5	66.1	0.3
	1983			89.9	41.4	23.1	224.8	62.2	0.5
	1984			105.0	37.8	24.8	226.4	53.5	0.3
Feed grains	1982		043-045	511.3	1,365.5	128.4	52.2	71.4	20.5
	1983			411.4	1,573.8	131.2	34.4	42.2	18.4
	1984			428.7	1,624.0	141.9	37.6	32.1	31.1
Fruit and vegetables	1982	05		597.3	1,325.2	594.2	2,113.0	2,445.1	88.9
	1983			580.3	1,239.1	588.9	2,161.1	2,344.7	100.2
	1984			598.5	1,233.7	578.3	2,057.7	2,284.0	118.6
Sugar, sugar preparations, and honey	1982	06		354.4	1,004.7	561.7	155.0	363.1	139.4
	1983			274.1	916.3	471.9	51.3	348.8	141.5
	1984			282.0	798.8	412.5	59.0	284.2	112.6
Coffee, tea, cocoa, spices, etc.	1982	07		278.8	293.2	719.2	139.6	808.4	51.1
	1983			310.0	273.6	775.8	124.2	827.8	44.2
	1984			349.8	308.4	899.2	153.0	963.7	46.2
Animal feed	1982	08		462.1	578.0	941.3	138.5	770.4	167.6
	1983			492.5	563.0	802.7	123.9	936.5	175.9
	1984			494.6	592.9	726.9	127.0	797.2	173.3
Oilseed cake and meal	1982		0813	255.9	36.0	371.5	26.1	398.8	2.5
	1983			292.8	27.2	347.3	33.4	528.9	2.9
	1984			283.0	32.0	257.7	37.0	407.5	2.5
Meatmeal and fishmeal	1982		0814	23.8	34.9	79.4	22.5	13.6	113.9
	1983			34.0	39.4	91.7	32.8	14.2	130.4
	1984			46.1	39.9	103.1	23.5	17.7	124.9
Miscellaneous food preparations	1982	09		221.2	254.4	354.8	88.8	547.1	134.3
	1983			217.9	244.0	341.7	91.9	533.0	135.3
	1984			231.5	254.5	351.5	93.4	592.2	152.8

See footnotes at end of table.

Appendix table 5—Agricultural exports by country, European Community and Other Western Europe, 1982-84—Continued

		Total EC-10	Other Western Europe							Total OWE	Total Western Europe
United Kingdom	Greece		Austria	Finland	Norway	Portugal	Spain	Sweden	Switzer- land		
Million dollars											
312.7	2.5	2,697.9	88.6	2.7	1.7	0.5	14.6	3.9	17.2	129.2	2,827.1
283.8	1.1	2,594.1	70.6	2.4	0.5	0.4	11.4	5.5	10.3	101.1	2,694.8
256.1	1.3	2,364.7	62.4	2.9	0.4	0.5	8.9	5.6	8.8	89.5	2,454.2
606.8	1.8	9,827.4	85.7	96.9	26.4	4.1	38.5	162.4	8.4	422.4	10,249.8
751.0	0.7	9,358.5	88.0	89.0	19.6	8.3	38.0	143.9	8.5	395.3	9,753.6
658.4	1.5	8,923.9	109.6	64.1	14.3	11.2	41.7	150.1	6.9	397.9	9,321.8
568.9	9.6	10,262.2	164.4	147.3	59.2	7.3	42.2	65.2	271.5	757.1	11,019.3
467.1	13.7	9,099.3	145.4	185.3	66.6	6.1	20.1	70.7	263.0	756.8	9,852.0
330.7	13.9	8,769.6	148.8	164.7	53.6	9.3	12.9	55.4	238.3	683.0	9,452.6
1,351.5	171.5	9,158.8	120.5	24.7	12.5	4.9	76.0	188.1	30.5	457.2	9,616.0
1,122.6	215.9	8,851.7	150.8	37.0	9.9	5.1	81.6	180.1	29.9	494.3	9,338.1
1,331.0	270.4	9,711.7	169.1	118.8	10.3	4.0	47.3	203.2	29.4	582.1	10,293.8
508.0	145.0	3,735.6	47.6	0.1	—	—	37.6	72.4	0.1	157.8	3,893.4
290.4	196.6	3,417.6	91.8	7.2	0.2	—	54.2	80.9	0.1	234.4	3,651.6
377.8	184.6	3,944.6	83.8	7.9	0.3	—	15.5	109.4	0.1	217.0	4,161.6
1.0	1.0	473.9	—	0.1	0.1	0.6	24.2	0.2	—	25.2	499.1
0.7	0.7	444.6	—	0.1	0.1	0.4	10.2	0.1	—	10.9	455.5
8.2	8.2	458.6	—	—	—	0.1	14.6	0.1	—	14.8	473.4
442.5	9.7	2,705.4	30.2	—	1.9	—	3.9	66.2	—	102.2	2,807.6
439.8	1.7	2,779.9	19.8	10.1	—	0.1	6.4	52.2	0.4	89.0	2,867.0
598.6	8.0	3,054.7	44.7	91.6	—	0.2	4.5	43.8	0.4	185.2	3,239.9
272.3	702.3	8,179.5	68.3	12.2	5.4	82.5	1,806.1	44.6	49.1	2,068.2	10,247.7
249.8	640.1	7,939.6	56.9	12.1	5.6	102.4	1,620.0	44.5	40.6	1,882.1	9,821.4
258.6	681.7	7,851.8	67.0	10.4	4.4	104.7	1,999.5	44.7	42.2	2,272.9	10,124.7
211.4	6.8	2,856.7	32.3	37.7	2.1	1.4	36.9	34.4	27.8	172.6	3,029.3
219.8	12.1	2,493.2	34.5	32.1	2.7	12.7	35.3	29.7	26.8	171.5	2,664.1
222.1	14.6	2,245.2	20.0	16.7	2.4	6.8	43.0	29.2	26.9	145.0	2,390.2
440.4	7.8	2,822.5	33.2	38.8	9.1	1.1	90.0	48.9	145.8	366.9	3,189.4
441.4	8.4	2,898.4	38.9	33.4	9.4	1.3	83.0	56.4	151.6	374.0	3,271.8
487.3	8.2	3,316.0	39.8	33.3	10.3	2.0	95.8	63.4	157.4	402.0	3,718.0
120.5	25.5	3,252.9	10.9	1.4	137.9	10.8	147.3	10.7	19.0	338.0	3,590.9
119.5	50.2	3,313.8	15.2	10.8	173.3	29.4	209.0	12.2	23.3	473.2	3,786.6
129.8	44.3	3,127.4	10.9	7.5	146.7	43.9	236.7	11.5	20.7	477.9	3,605.3
3.6	2.9	1,098.6	0.1	—	33.2	8.0	81.0	1.7	—	124.0	1,222.6
6.7	15.5	1,255.3	—	—	39.0	26.0	130.7	3.4	0.2	199.3	1,454.6
7.1	6.6	1,033.9	—	—	34.0	41.8	161.6	1.4	0.4	239.2	1,273.1
1.7	—	295.1	1.6	—	94.8	1.6	2.2	0.4	0.5	101.1	396.2
2.2	—	350.1	3.0	—	123.5	1.1	1.5	0.5	0.7	130.3	480.4
3.1	—	364.5	3.7	—	101.2	0.3	1.6	1.0	0.7	108.5	473.0
212.5	5.1	2,085.2	11.3	24.2	15.9	3.9	51.5	32.0	174.6	313.4	2,398.6
210.4	6.0	2,091.3	15.6	18.7	14.9	3.8	46.8	29.5	172.8	302.0	2,392.9
201.3	8.3	2,231.1	18.7	11.8	15.0	5.1	42.1	35.4	154.6	282.7	2,513.8

Continued—

Appendix table 5--Agricultural exports by country, European Community and Other Western Europe, 1982-84--Continued

Commodity and year		SITC Numbers		European Community						
		Major headings	Sub-headings	Belgium Luxembourg	France	West Germany	Italy	Nether-lands	Denmark	Ireland
Million dollars										
Beverages	1982	11		167.7	2,509.6	643.9	1,051.4	480.2	116.7	197.7
	1983			179.6	2,523.4	646.8	869.7	470.4	116.1	187.4
	1984			174.3	2,656.6	652.3	904.0	486.7	110.6	186.6
Nonalcoholic	1982		111	64.3	105.4	60.5	17.1	126.0	13.3	11.7
	1983			74.2	115.0	57.9	12.9	116.0	14.2	15.0
	1984			75.9	122.1	55.4	14.4	141.8	14.7	13.3
Wine	1982		1121	27.6	1,541.6	353.5	946.1	8.3	3.7	0.7
	1983			31.1	1,552.2	342.6	784.7	9.9	3.2	0.3
	1984			23.1	1,683.1	347.5	803.2	9.5	3.5	0.4
Tobacco, unman- ufactured	1982	121		13.0	14.9	19.6	119.2	69.3	2.1	1.3
	1983			16.9	19.5	24.0	96.6	69.2	2.4	0.3
	1984			19.7	25.0	20.3	105.3	59.2	2.8	0.6
Tobacco, manu- factured	1982	122		226.6	76.9	390.0	3.6	584.7	39.5	41.2
	1983			205.4	70.8	439.4	5.1	577.4	42.2	38.7
	1984			184.5	64.9	416.2	3.8	597.0	43.8	38.0
Hides, skins, and furs, undressed	1982	21		60.7	254.7	159.5	27.1	181.9	435.4	41.1
	1983			65.9	270.4	159.9	35.2	194.0	411.7	40.7
	1984			91.5	342.8	209.7	48.8	233.5	313.5	57.7
Oilseeds, oil nuts, and oil kernels	1982	22		16.2	351.2	38.2	1.9	82.4	120.0	0.6
	1983			14.8	655.0	46.3	1.1	64.5	115.8	2.6
	1984			20.2	302.6	57.5	2.7	56.9	105.5	3.4
Natural rubber	1982	2311		0.9	3.9	3.3	3.0	2.7	—	—
	1983			1.1	4.1	3.9	2.5	3.6	—	0.1
	1984			1.8	8.6	5.2	2.2	1.7	—	0.1
Natural fibers	1982	261- 265		192.9	486.3	164.5	40.4	46.4	1.5	14.5
	1983			200.0	476.4	171.8	46.4	49.6	1.2	16.7
	1984			264.7	549.1	204.8	66.4	44.2	1.3	17.2
Crude animal & veg. matls. not elsewhere spec.	1982	29		147.7	277.0	339.0	216.6	1,554.2	295.1	37.0
	1983			143.6	280.0	336.9	227.5	1,590.5	278.5	34.0
	1984			147.0	280.2	342.4	243.3	1,603.9	266.7	33.6
Agricultural fats and oils	1982	4		253.4	315.4	705.7	155.7	576.9	99.4	10.7
	1983			263.6	313.3	675.8	176.2	668.5	107.4	11.0
	1984			390.0	422.8	901.5	254.7	978.5	129.7	15.2
Animal and vege- table oils and fats, processed	1982		431	30.7	38.9	246.1	21.2	202.2	41.9	1.0
	1983			31.7	35.3	230.3	26.8	207.9	43.3	0.9
	1984			45.9	48.1	310.6	37.5	272.5	56.2	0.8
Total agricul- tural	1982			6,035.1	15,965.4	10,251.4	5,645.0	15,227.1	5,051.4	2,422.6
	1983			5,597.5	16,129.7	9,701.5	5,126.3	14,834.8	4,800.5	2,399.6
	1984			6,026.7	16,154.5	9,984.2	5,328.4	14,759.5	4,643.3	2,500.5
Total exports	1982			51,694.6	92,358.1	175,455.9	73,437.6	66,404.0	14,952.8	8,060.0
	1983			51,675.6	91,144.4	168,748.0	72,669.8	65,676.2	15,600.6	8,608.5
	1984			51,416.4	93,163.9	171,014.2	73,357.9	65,873.9	15,485.5	9,626.7

-- = None or negligible.

Source: UN Trade Statistics, 1980-1984. SITC is the Standard International Trade Classification, revised.

Appendix table 5--Agricultural exports by country, European Community and Other Western Europe, 1982-84--Continued

		Total EC-10	Other Western Europe							Total OWE	Total Western Europe
United Kingdom	Greece		Austria	Finland	Norway	Portugal	Spain	Sweden	Switzer- land		
Million dollars											
1,851.4	35.1	7,053.7	93.5	21.6	3.6	198.0	376.4	7.0	28.1	728.2	7,781.9
1,592.6	41.3	6,627.4	66.3	12.9	4.4	181.4	339.4	10.3	33.8	648.4	7,273.7
1,551.2	39.9	6,762.2	61.5	16.3	3.8	179.8	333.8	16.4	39.9	651.5	7,413.7
41.2	1.5	441.0	30.7	0.6	0.6	0.8	3.4	3.2	19.9	59.2	500.2
24.3	4.2	433.6	22.1	0.8	0.7	0.9	3.9	3.3	25.0	56.7	490.3
23.4	3.5	464.6	20.5	3.2	0.6	0.8	4.7	3.4	30.0	63.2	527.8
51.0	18.4	2,950.9	45.1	—	—	192.9	326.3	—	2.8	567.1	3,518.0
50.4	18.4	2,792.9	28.3	—	—	176.2	303.4	—	3.2	511.1	3,304.0
51.5	19.4	2,941.2	25.7	—	—	174.2	296.0	—	4.2	500.1	3,441.3
14.7	191.7	446.0	0.8	—	0.1	—	4.9	0.4	20.0	26.2	472.2
12.2	192.5	433.6	0.4	—	0.1	0.2	3.7	0.6	24.8	29.8	463.4
15.7	183.1	431.6	0.9	—	—	—	2.9	0.4	29.0	33.2	464.8
668.9	1.0	2,032.5	2.3	13.2	6.3	1.7	13.2	17.4	92.8	146.9	2,179.4
646.8	3.1	2,028.9	1.8	8.9	7.9	1.3	9.5	17.2	92.9	139.5	2,167.5
548.6	2.2	1,898.9	1.8	8.9	7.3	1.3	7.1	17.3	87.1	130.8	2,029.7
315.2	35.4	1,511.0	14.2	231.8	72.1	6.9	10.5	72.3	36.1	443.9	1,954.9
303.3	28.2	1,509.3	14.6	192.5	69.3	5.5	12.9	71.0	33.0	398.8	1,907.7
375.8	37.2	1,710.5	21.7	260.2	74.8	5.5	12.2	75.1	46.1	495.6	2,206.1
13.9	0.8	625.2	3.3	—	0.5	—	3.2	23.9	1.7	32.6	657.8
57.3	0.9	958.4	3.8	—	0.1	0.1	5.2	34.2	1.8	45.2	1,003.5
72.4	1.1	622.3	4.6	—	—	—	3.8	21.7	1.8	31.9	654.2
3.3	—	17.3	0.5	—	—	—	0.1	0.4	—	1.0	18.3
4.5	—	19.7	0.3	—	—	—	0.1	0.5	—	0.9	20.6
5.5	—	25.2	0.2	—	—	—	—	0.5	—	0.7	25.9
288.1	36.0	1,270.7	5.0	0.2	4.0	5.9	40.2	1.9	26.3	83.5	1,354.2
291.4	49.9	1,303.5	8.8	0.3	5.1	5.6	32.7	1.5	29.5	83.5	1,386.5
326.6	75.0	1,549.4	8.1	0.6	4.9	8.3	53.1	1.8	34.1	110.9	1,660.3
100.1	11.5	2,978.3	17.6	5.0	15.8	16.5	82.5	32.8	31.6	201.8	3,180.1
98.4	10.5	2,999.9	19.2	5.5	17.4	15.2	81.5	31.4	29.8	200.0	3,199.8
101.4	13.7	3,032.3	15.9	5.1	12.6	13.5	97.4	29.5	31.0	205.0	3,237.3
81.2	82.5	2,281.0	14.2	13.5	86.3	59.5	284.2	63.7	16.2	537.6	2,818.6
89.5	252.4	2,557.7	13.9	20.5	84.1	79.9	317.6	69.9	14.8	599.1	3,156.7
122.0	183.6	3,397.8	15.7	24.0	87.4	114.9	439.3	90.8	17.8	789.9	4,187.7
43.3	1.5	626.6	1.7	9.2	36.2	1.3	7.8	21.4	7.3	84.9	711.5
39.6	2.3	618.1	2.1	10.2	31.1	1.9	5.5	29.5	5.1	85.4	703.5
43.8	1.4	816.9	2.3	15.6	46.4	3.3	6.7	33.2	4.7	112.2	929.1
7,433.9	1,327.0	69,358.8	766.6	671.3	459.0	405.1	3,118.1	810.1	996.5	7,226.7	76,585.5
6,961.4	1,527.0	67,078.3	744.9	661.3	490.8	458.4	2,947.7	809.0	987.0	7,099.1	74,177.4
6,994.5	1,580.0	67,971.6	776.7	745.3	448.2	510.8	3,477.5	852.0	972.0	7,782.5	75,754.1
96,577.1	4,296.7	583,236.8	15,689.9	13,127.1	17,583.2	4,170.9	20,271.4	26,739.6	25,617.7	123,199.8	706,436.6
91,768.5	4,412.2	570,303.8	15,422.9	12,510.3	17,972.4	4,601.5	19,711.1	27,376.7	25,307.5	122,902.4	693,206.2
94,306.1	4,864.2	579,108.8	15,712.2	13,497.8	18,913.7	5,207.7	23,283.0	29,258.3	25,723.9	131,596.6	710,705.4

Appendix Table 6: EC support prices in European Currency Units 1/

Commodity	1983/84		1984/85		1985/86		1986/87	
	Price	Percent change	Price	Percent change	Price	Percent change	Price	Percent change
	ECU/MT	Percent	ECU/MT	Percent	ECU/MT	Percent	ECU/MT	Percent
Common soft wheat	184.58	3.0	182.73	-1.0	179.44	-1.8	170.47	-5.0
Bread wheat	215.29	3.0	213.14	-1.0	209.3	-1.8	209.3	0
Durum wheat	312.08	4.6	312.08	0	312.08	0	299.6	-4.0
Barley	184.58	3.0	182.73	-1.0	179.44	-1.8	170.47	-5.0
Corn	184.58	3.0	182.73	-1.0	179.44	-1.8	179.44	0
Rice (unhusked)	306.53	5.5	314.19	2.5	314.19	0	314.19	0
Sugar beets	40.89	4.0	40.89	0	40.89	0	40.89	0
White sugar	534.7	4.0	534.7	0	541.8	1.3	541.8	0
Olive oil	2,299.2	5.5	2,276.2	-1.0	2,276.2	0	2,162.4	-5.0
Rapeseed	438.0	4.0	429.2	-1.0	421.5	-1.8	421.5	0
Sunflowerseed	527.1	6.0	532.7	-1.0	524.7	-1.5	4/534.7	0
Soybeans	494.3	6.5	501.7	1.5	506.7	1.0	506.7	0
Beans, Field beans	291.9	6.5	289.0	-1.0	273.5	-5.4	276.2	1.0
Dried fodder	178.94	6.0	177.15	-1.0	178.92	1.0	178.92	0
Fruits and Veggies. 2/	+3.5 to + 5.5		-1 to + 2		-3 to +1		0 to +1	
Tobacco (Raw) 2/	+4 to + 7.5		-3 to + 2		-2.5 to 0		0 to -6	
Cotton	881.2	8.0	894.4	1.5	912.3	2.0	912.3	0
Wine (Type RI)	3.45	5.5	3.42	-1.0	3.42	0	3.42	0
Milk target price	274.3	2.3	274.3	-1.0	278.4	1.5	278.4	0
Butter	3,578.6	2.3	3,197.0	-10.6	3,132.0	-2.0	3,132.0	0
Skimmed milk powder	1,496.4	2.3	1,658.8	10.9	1,740.4	4.9	1,740.4	0
Cheese (6 month)	4,395.2	2.3	4,727.5	5.8	4,803.3	1.6	4,803.3	0
Beef & veal	1,863.8	5.5	1,845.2	-1.0	1,845.2	0	1,845.2	0
Pork	2,053.87	5.5	2,033.3	-1.0	2,033.3	0	2,033.3	0
Sheep meat	4,323.6	5.5	4,280.4	-1.0	4,323.2	1.0	4,323.2	0
Exchange rate 3/ US\$/ECU	.93		.85		.72		.95	

-- = Not available.

1/ Generally intervention prices or target prices tied to intervention purchasing mechanisms. When measured in the national currencies in which farmers are actually paid, the percent changes in prices vary widely among countries because of the effects of changes in MCA's and rates of currency exchange.

2/ Range of percentage changes for various products.

3/ Exchange rate in April, at beginning of EC marketing year for most commodities.

4/ Includes a change in oil content for the standard quality of sunflowerseed.

DEFINITIONS

Measures--The metric system is used in this report, unless otherwise indicated. The following are conversions to the U.S. system of weights and measures: 1 hectare, 2.471 acres; 1 metric ton, 2204.6 pounds; 1 kilogram, 2.2046 pounds; 1 liter, 1.0567 quarts; and 1 hectoliter, 26.418 gallons.

ACP's--African, Caribbean, and Pacific States participating in the Lome Convention that regulates economic relations between these countries and the European Community.

EC--European Community, also referred to as the Community. An economic customs union originally composed of six members--Belgium, Luxembourg, France, Italy, West Germany, and the Netherlands. Denmark, Ireland and the United Kingdom (U.K.) joined the EC January 1, 1973; Greece joined January 1, 1981. EC-10 refers to the Community of 10 members, before the accession of Spain and Portugal this year. EC-12 refers to the present Community of 12.

CAP--Common Agricultural Policy of the European Community.

GATT--General Agreement on Tariffs and Trade.

Unit of Account (u.a.)--Prior to April 9, 1979, the standard value used by the EC for transactions within the CAP. In mid-March 1979, the agricultural unit of account was equal to about \$1.60. A different unit, called the European unit of account (EUA), was introduced in 1975. Its value in relation to the dollar is announced daily, and it is generally worth more than the agricultural unit of account.

European Monetary System (EMS)--A common monetary arrangement for the Community, implemented in March 1979. It includes credit mechanisms and compulsory intervention to ensure greater stability of European exchange rates.

European Currency Unit (ECU)--The core of the EMS, the ECU serves as the monetary denominator for the exchange rate, credit, and intervention mechanisms of the EMS. On April 9, 1979, the ECU became the standard value for transactions within the CAP including the determination of support prices, import levies, and export subsidies. The value of the ECU is calculated from a weighted basket of all EC-10 member currencies, identical to the basket used for the EUA and equal to an average of \$0.75 during 1984.

Green rate of exchange--The exchange rate used to convert ECU's into national currencies (and vice versa) in all financial and commercial transactions covered by the CAP.

Green currency (e.g., green pound, green lira)--Indicates the use of green rates of exchange for CAP purposes.

Monetary Compensatory Amounts (MCA's)--Border taxes or subsidies that offset the divergence between the green rate of exchange and the actual market rate of exchange. For those countries in which currencies have depreciated, MCA's (negative MCA's) act as subsidies on imports and taxes on exports. For those countries in which currencies have appreciated, MCA's (positive MCA's) act as taxes on imports and subsidies on exports.

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